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on Monday, 23 April 1990, at 3 p.m.

President: Mr. GARBA (Nigeria)

- General debate [8 and 9] (*continued*)
- Organization of work

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The meeting was called to order at 3.10 p.m.

AGENDA ITEMS 8 AND 9 (continued)

GENERAL DEBATE

The PRESIDENT: I should like to remind representatives that, in accordance with the decision taken by the General Assembly at its first plenary meeting this morning, the list of speakers will be closed today at 6 p.m. I therefore request those representatives wishing to participate in the debate to inscribe their names as soon as possible.

Mr. COLLINS (Ireland): On behalf of the European Community and its member States, I wish to congratulate you, Sir, on your election to the important post of President of this special session of the General Assembly. We are confident that under your expert guidance we will successfully complete our work this week. I should also like to thank Ambassador Zepos of Greece for his able work in chairing the Preparatory Committee for the special session.

The entire international community rejoices and takes pride that Namibia has at last taken its place in the United Nations as a free, sovereign and independent State. The European Community and its member States salute the achievement of the people of Namibia in making this day a reality. We warmly pay tribute to the central role played by the United Nations in the process leading to Namibia's taking its rightful place in the community of nations.

The Twelve have over many years expressed our support and solidarity with the people of Namibia. The European Community and its members States hope that in the near future we will be welcoming Namibia as the 69th member of the African, Caribbean and Pacific Group of countries linked to the Community through the Lomé Convention. Today, on behalf of the Twelve, I should like to pledge to the

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Government and people of Namibia our friendship and support in the challenging days ahead.

The special session takes place against the backdrop of historic change. There is movement away from outmoded political and economic systems. We see a new emphasis placed on individual liberty, initiative and enterprise. Pluralistic societies, democratic institutions, legal systems that protect the rights of the individual, and market-oriented economies are now all centre stage in the pursuit of effective means of allowing the full development of the individual.

We see clear signs of willingness by many countries to look again at the organization of their societies. Radical structural changes have taken place in economic and political life. A new wind of change is blowing away the old, outdated approaches as the world moves towards the twenty-first century. We have seen that process of change affect countries of very different economic levels of development. In recent years, many developing countries have adopted far-reaching programmes designed to bring about fundamental changes to improve the well-being of their populations. The adoption of those programmes has often required political courage on the part of the societies concerned. The international community must stand ready to support those efforts, which are designed to bring about sustainable development. That support is particularly crucial to the efforts of the least developed countries in their implementation of effective development policies.

The most dramatic evidence of the process of reform has been the series of events that have transformed the countries of Central and Eastern Europe over the past year. Those countries have surged forward in a sweeping process of radical change. They have set out to remodel their societies. The process of change envisages the removal of arbitrary State interference in all critical social and economic areas of the life of the citizen. Furthermore, those events have occurred

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in the context of a significant reduction of the political tensions between East and West that corroded international life for over 40 years.

In the context of the dynamic processes that have emerged, what type of objective should we set out to achieve in our work at the special session? In the first instance, we must affirm that our primary objective is to bring about the revitalization of economic growth and development, particularly in the developing countries. We have no hesitation in asserting that it is the situation of the people of the developing countries, up to one billion of whom live in absolute poverty, that gives rise to our most serious concern. The Twelve reaffirm that they will, in view of the huge development tasks ahead, continue to provide substantial concessional support to the developing countries. The European Community and its member States reaffirm their commitment to the accepted United Nations target for the level of official development assistance to 0.7 per cent of GNP, including 0.15 per cent for the least developed countries. The 25 per cent increase in real terms of the resources provided for the fourth Lomé Convention is clear evidence of our strong commitment to assist the development of the developing countries.

We believe that the special session can play an important role in injecting impetus into the process of advancing economic growth and sustainable development. We see the session as situated at a crossroads in the development process. It allows us to take stock of the important events of the past decade, drawing the necessary conclusions, positive and negative, from the development experience. At the same time, we have the opportunity to underline the importance we attach to certain key areas that now appear to be fundamental for development success in the final decade of the century. We believe the document emerging as the result of our endeavours should elaborate a set of principles for development that would

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establish a new agenda for the United Nations based on a global view of the challenges of the 1990s.

The series of major international economic events scheduled for the next few years, such as the Paris Conference on the Least Developed Countries next September, the drawing up of the fourth International Development Strategy, the outcome of the Uruguay Round, the holding in June of next year of the eighth United Nations Conference on Trade and Development (UNCTAD VIII) and the 1992 Conference on Environment and Development will allow the elaboration of policies in specific areas. Thus, in our view, the special session can serve as a platform for launching meaningful and relevant work in the years ahead.

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I want now to look back briefly on the key development issues which emerged in the period of the 1980s. On the basis of this review, I shall attempt to set out the thinking of the Twelve on the overall tasks facing developed and developing countries alike in the 1990s.

In looking back over the past decade, we see that economic performance by developed and developing countries was mixed. For the developed countries, following a period of rigorous adjustment to take account of the new economic situation resulting from the two oil crises, sustained economic growth was restored. In particular, the inflationary pressures of the late 1970s and early 1980s were curbed. As a result of the economic policies followed, real increases in living standards were achieved. A technological revolution held out increasing prospects of ever more innovative and wealth creating systems of economic management. Moves towards globalization of international markets brought about significant efficiency and other gains.

Nevertheless, certain negative elements in the performance of the developed countries remained. Unemployment in many developed countries remained at unacceptably high levels. Significant economic imbalances in some of the major industrialized countries continued to exist. In addition, the consumption and production patterns of the industrialized countries continued to threaten our common environment. It was increasingly recognized that effective action was required on a global basis to combat environmental degradation.

For the developing countries, the experience of the 1980s varied widely. The decade served to underline the very significant diversity in their performance, thereby highlighting the critical differences in the development challenges they individually faced and in their responses to them. For some of these countries, owing mainly to their own skilled and committed effort, the decade saw unprecedented growth. Indeed, a number effectively graduated from developing to

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developed status. We look forward to the positive input of these countries, both materially and intellectually, to the development process in the 1990s. We expect that the lessons they have to offer regarding the economic, social and other factors required for development will be of benefit to us all. In addition, for the two largest developing countries, the period was one of unprecedented growth in living standards for their populations. At the same time, for many developing countries, ensuring that the benefits of economic growth and development were equitably shared by all sections of society emerged as an important issue.

However, for other developing countries the experience of the decade was less positive. In particular, for a number of countries the emergence of the debt crisis in the 1980s constituted an obstacle to economic growth. For some, the servicing of their external debt could only be accomplished by a significant compression of imports and a large reduction in investment in their economies. Their efforts to meet debt-service commitments seriously compromised their prospects for economic growth and develoment. It was increasingly recognized that innovative approaches would be required to help find solutions to the problems faced by individual countries. The international financial institutions, proceeding on a case-by-case basis, continue to have the central role in these efforts. At the same time, action taken by developed countries in recent years has contributed to a reduction of the difficulties caused by the debt burdens of many developing countries.

For the least developed countries, despite certain welcome exceptions, the experience of the decade was very largely negative. In addition to serious debt-service difficulties, many remain vulnerable to long-term adverse trends in real primary commodity prices. This vulnerability has been recognized by the European Community in successive Lomé conventions and compensatory mechanisms have been established. For many of the least developed, the Paris Conference in

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September should provide a valuable opportunity to explore realistic options for improving the operation of their economies. The Conference must aim to agree a range of practical actions to be taken by developed and least developed countries alike. Action, involving commitments, is urgently required for the least developed countries, many of which will not be able to achieve sustained development without substantial support even should they implement sound national strategies. The early implementation of the Second Account of the Common Fund for Commodities could play a useful role in supporting the efforts of the least developed countries to diversify their economic base. A successful outcome to the Uruguay Round would also benefit the least developed.

The difficulties faced by many developing countries serve to highlight certain conclusions which have emerged over the course of the decade. More generally, it is clear that there is no overall economic blueprint which can automatically bring about economic growth and development in the developing countries. It is also now apparent that the time frame for recovery must be longer than envisaged at the start of the 1980s. However, the most lasting, most clear and most important lesson is that it is fundamentally the task of the developing countries themselves to ensure their own development. It is primarily their responsibility to put in place appropriate policies to energize and steer the development effort. Successful national policies can allow the exploitation of existing opportunities for development that exist within and beyond the domestic economies of the developing countries. Support from the international community can most effectively be employed in support of such sound national policies.

Finally, the experience of the decade, as of its predecessors, once again underlines the need for flexibility in development thinking. Development is a continuous process, taking place in a changing environment and forever facing new challenges requiring new solutions. For the developed and developing countries

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alike it is then imperative to ensure that outmoded approaches are discarded in tackling ever changing circumstances.

It is therefore required of all participants in the development process to adopt flexible and pragmatic approaches. For its part, the European Community and its member States are determined to keep an open mind in the search for solutions appropriate to different countries and regions. Nevertheless, at this moment, certain key factors appear central to successful development. Furthermore, certain specific areas of activity seem appropriate for joint efforts by developed and developing countries while other areas are primarily the responsibility of individual developed or developing countries. Briefly, I should like to outline what seems to us to be an appropriate division of tasks so that the existing opportunities can be utilized. In this way, we can advance work to ensure the revitalization of economic growth and development of the developing countries.

It is the primary responsibility of the developed countries to bring about an international economic environment which facilitates sustained non-inflationary growth. To this end, efforts need to be strengthened to pursue necessary structural adjustments and to improve fiscal and monetary policies, thereby contributing to a reduction in interest rates. It is also necessary to reduce existing imbalances and protectionist pressures. For their part, the European Community and its member States will work to reinforce their own mechanisms of economic co-ordination and convergence within the European Monetary System (EMS). We believe that the EMS reinforces the international monetary system through providing regional monetary stability in an increasingly multipolar world.

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An open multilateral trading system, as well as resistance to and rolling back protectionism everywhere, are essential conditions for sustainable growth and develoment in all countries. We pledge our determination to work to achieve a successful, balanced and comprehensive outcome to the Uruguay Round, which also takes account of the special needs of the least developed countries.

The Round must be utilized as a unique opportunity to achieve, through mutual concessions by both industrialized and developing countries, a strengthening of the international trading system as well as major trade liberalization on the eve of the Fourth Development Decade. For our part we are encouraged by the significant increases in recent years in the exports of developing countries. We also believe that for the developing countries the establishment of the internal market within the Community presents both opportunities and challenges. The single market will create increased demand for a range of products from the developing world. The successful restructuring of the economies of the countries of Central and Eastern Europe would, over time, also provide valuable economic opportunities for the developing countries. Successful restructuring would in addition allow these countries to increase their contribution to the development efforts of the developing countries.

As I have mentioned, many developing countries have already realized the need to remodel their economies if they are not to be left further behind in the global economy. Increasing attention is being given to opportunities to improve economic performance at the regional and subregional levels. Such arrangements could help to make the best use of scarce infrastructure and other factors crucial for economic growth. In addition, many have undertaken stringent structural adjustment programmes which seek to remove existing rigidities and impediments to economic growth and development. The multilateral development agencies will continue to play a crucial role in helping to design these programmes and in seeking to provide the required funding to ensure their success. At the same time efforts must continue to guarantee the suitability of adjustment programmes for the particular needs of individual countries, bearing in mind the social and political costs of the adjustment process. Experience increasingly shows that adjustment programmes

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have more chance of success if tailored to specific requirements. There is also widespread recognition that the programmes must protect the most vulnerable groups in society and be situated in a multi-year framework.

Nevertheless it is incontestable that the full political commitment of the Governments and the peoples of the developing countries is required if adjustment policies are to work. Adjustment policies must be intrinsically national policies if they are to galvanize the necessary internal response. They must enjoy the wide and sustained support of the societies in which they are implemented. The experience of successful developing countries highlights the validity of this point.

For the Twelve, functioning democratic institutions, enjoying the full and freely given support of the populations of developing countries, increasingly appear necessary to ensure the success of development strategies. Effective market and outward oriented policies, which experience suggests require pluralistic societies, seem also required to allow sustainable development. In many cases there is urgent need for defining a new balance between market forces and the economic role of the State. Effective, fair and enforceable legal provisions, guaranteeing the individual and property rights of the citizen, also appear necessary to bring about equitable and durable development. More generally, the human factor, at once the means to and the objective of development policies, must be given much greater stress in bringing about effective involvement in implementing policies. In this regard efforts must be strengthened to ensure the full and equal participation of women in the development process.

Effective commitment to development also requires the access of every member of society to adequate health, education and living facilities. These are the prerequisites for the creation of the human skills in society to allow sustainable development. To this end there is a need for sound, accountable government and for

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a commitment to the welfare of the most vulnerable sections of society. Fundamental attention must be given to the question of population growth in the search for sustainable development.

Finally, experience increasingly suggests that concern for the environment is crucial to ensure full commitment to development efforts. Environmental degradation poses a widespread and increasing threat for all mankind. Land degradation, desertification and soil erosion, as well as floods and famine, which have caused enormous loss of life in recent years, all underline the precarious situation of hundreds of millions in the developing world. Poverty and its interrelated causes in the developing countries pose an enormous threat to sustainable development. Without increased attention and commitment to tackling the complex and interrelated problems negatively affectiving our common environment, the future of all our countries is sombre. For their part, the developed countries will be required to provide additional resources and the appropriate technologies to complement the efforts of the developing countries to protect their fragile human and natural resources.

I have spelled out in some detail the present views of the European Community and its member States because of the importance we attach to the achievement of the objectives of the present special session. I would once again emphasize that the approach of the Community is an evolving one. We stand ready to learn, as we have done in the past, from the future experience of the development process. At the same time we must emphasize the importance we attach to the type of approach we have outlined. Economic growth and sustainable development of the developing countries require a commitment on all sides to candid examination of what now should be done. For our part we stand ready to engage in constructive dialogue with the developing countries as we face together the challenges of the coming years.

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The PRESIDENT: Before I call on the next speaker I should like to reiterate what I said this morning about the length of statements. We have a very lengthy list of speakers, and unless we keep to the 15-minute rule we might not finish in time. This afternoon we have 20 speakers. So I appeal to my colleagues to try to tailor their statements to the 15-minute rule.

Mr. ROZENTAL (Mexico) (interpretation from Spanish): We have gathered here to evaluate momentous transformations in international society in the light of the challenges faced by developing countries, in particular economic challenges. The very holding of this special session of the General Assembly constitutes an invaluable opportunity to renew, after many years, a constructive and concerted dialogue. It also commits us to work together to identify the most effective ways of promoting multilateral co-operation aimed at recovering economic growth and re-establishing the foundation for our countries' development.

(Mr. Rozental, Mexico)

The developing countries have just concluded a critical decade of our history. Over the last 10 years our peoples' standards of living have drastically declined, often leading to grave repercussions for political and social stability. Unfortunately the outlook for the decade just beginning is unclear, and in many cases quite discouraging. However, our meeting here this week proves at the very least our unwillingness to accept a future condemned to subjugation.

We are convinced that now is the time to introduce important qualitative changes in international economic relations. The profound transformations witnessed over the past few months constitute an excellent basis from which seek collective responses to long-standing economic problems. If we have overcome international political confrontations, which only a few years ago would have been impossible to imagine, why not expect that there now exists a similar collective will to correct the traditional disequilibria in the international economic system?

Rapidly developing trends that we start today will become the guidelines for tomorrow. We are at the crossroads of risks and opportunities. Our choice is between the opportunity to revive the international solidarity necessary to effect the changes we want, on the one hand, and the risk of perpetuating an essentially unbalanced and unfair international economic system, on the other. The consequences of inaction are so terrifying to the vast majority of the world's peoples that we simply cannot allow ourselves to fail.

For those reasons the greatest challenge the global community will face over the next 10 years will be the promotion of healthy and balanced world economic growth. In order to achieve this, we must fully recognize that the problems of developing countries concern us all and that we need consensus around a new concept of international economic co-operation.

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Both North and South must contribute, according to their weight and individual possibilities, to stable world economic growth as a solid foundation for international peace and security. Joint action and shared responsibility are the only way forward.

We must bear in mind that any development-oriented strategy must combine short, medium and long-term policies. Similarly, changes must be made not only in the international economic environment but also in national policies, and there must be more effective co-operation between internal and external factors that could lead to global balanced growth, benefiting the entire international community. In this context my delegation wishes to emphasize that the current scene, marked as it is by rapid profound change, compels our countries to adapt to new conditions. Those who resist change will remain isolated and unable to overcome structural deficiencies.

That is why in Mexico we have embarked on an irreversible programme of structural reform aimed at creating favourable conditions for stable balanced growth in an environment of open international competition. In this framework we have adopted and promoted policies of freer trade, exports of products other than oil, healthier public finances and national and foreign investment incentives. Inflation has been brought down to levels not seen over the last decade.

Our national development plan calls for the State to continue playing an essential role, but we have discarded outmoded myths that favour excess direct participation in the economy. The public sector must play an important role in the modernization process, but by applying more selective criteria and by promoting efficiency and productivity.

We have disincorporated non-strategic public companies, keeping only those that are as productive as, or more productive than, comparable ones in the private

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sector. A return to the public sector as a basic instrument of social development is one of our most important objectives.

The fight against extreme poverty is also a priority for my country's Government. Through a national solidarity programme we seek to overcome the endemic poverty of those groups and communities that are most vulnerable. The financial resources for this programme come primarily from the sale of State-owned companies.

The recent renegotiation of Mexico's external debt recognized the Government's economic programme and its efforts to comply with international financial obligations. The resulting reduction in the mixed external transfer of resources will positively affect productive investment growth and the necessary infrastructure for economic development.

Mexico's modernization process has been designed in response to our historical experience, our unique characteristics and our potential. We are committed to building a more solid and just nation that meets our population's basic needs and gives hope of a better life for future generations.

In the search for more efficient economies, as developing countries we must recover the potential benefits of South-South co-operation. Together with other developing nations conscious of the challenges that will face us in coming decades, Mexico, as a member of the Group of 15, seeks to revitalize South-South co-operation through new co-operative schemes, clear objectives and viable machinery. Although still in its formative stage, this effort, as a source of meaningful exchange among developing countries, holds considerable promise for the future.

Meeting the enormous challenge of the 1990s in the context of greater economic interdependence and international economic integration requires that all nations

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share responsibility according to their respective levels of development. Given their relative weight in the international economy, industrialized countries must promote trade, finance and monetary environments conducive to development. Those countries must also parallel the titanic efforts being made by many developing countries to adjust their economies. To be effective, the co-ordination of economic policies must be broadened to include countries having different situations and problems, in accordance with the rapid changes in the global economy and growing interdependence and internationalization. We must, however, ensure that this does not result - as it did throughout the 1980s, when limited to only one group of countries - in high real-interest rates and imbalances in monetary, financial and trade markets, which negatively affect us all.

In the immediate future and over the long run, our ability to respond to the international situation will depend on the degree of technological development we achieve. Isolated efforts will be insufficient in an ever more interdepent world. The spread of technology and its optimum utilization are our main tools in facing an uncertain future.

As long as unilateral, discriminatory and protectionist trade measures prevail, there can be no equitable economic development. Global trade is a pillar of our potential growth. If we are denied security of access to markets and protectionist barriers continue to rise in industrialized countries, we will never be assured of trade-generated resource flows.

The new international situation, particularly in the area of trade, alters established patterns, transforms power relationships and opens up new possibilities for those countries willing to adapt, in a timely manner, to the new trends. All around us nations are grouping together, and outdated nationalisms are being cast aside. In this dynamic process, new trading blocs and economic alliances are constantly being formed. The developing countries must be vigilant to ensure that those realignments do not marginalize them even more in international trade.

It is a matter of concern to my Government that, despite the crucial importance in the work of the Uruguay Round of access to markets, after three years of arduous efforts we are far from achieving the objectives of the Punta del Este Declaration. Negotiations remain stalemated on subjects of prime importance to us in developing countries - such as agriculture and textiles - while progress has been achieved on new agenda items of primary interest to the industrialized countries. That is why there have recently been calls to replace an ineffective General Agreement on Tariffs and Trade (GATT) with a new multilateral organization better designed to regulate international trade.

The globalization of international problems also includes the environment. The world's ecology is not a concern only of industrialized nations, nor is its protection the sole responsibility of the developing world; it is a common interest, which can be compatible with development only to the extent that each nation meets its own obligations. The 1992 United Nations Conference on Environment and Development will give an important opportunity to make specific commitments and provide additional resources in order to make progress on both the global and the national aspects of the environment.

Our external debt continues to be an obstacle to economic growth. The negative net transfer of resources represents a constant drain on our besieged

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economies. There has been significant progress on the problem, but much remains to be done. It is clear that there is more than one alternative and that other options have to be based on the reduction of principal and interest, reactivation of commercial bank flows, creditor Government flexibility towards the provision of fresh money and increased financing by international lending institutions. All of that depends to a large extent on creditor countries' facilitating regulatory changes to ease the restrictions on the private banking sector and approval of new resources for multilateral institutions to renew the financial transfers needed to stimulate savings and productive investment in the developing economies.

Recent events in Eastern Europe represent changes which will have a great impact on the traditional pattern of international relations. Mexico has clearly warned that the transformation of Eastern Europe must not lead the industrialized nations to forget their international responsibilities towards the developing world. Although these newly emerging economies will undoubtedly receive important external financial resources that necessarily will compete with those required by developing countries, the success of their recovery programmes will benefit the world economy and as a result lead to new trade opportunities for us all. This is the perspective in which Mexico has decided to participate as a founding shareholder in the European Bank for Reconstruction and Development.

The changing international situation and challenges facing our global society over the next decade, and well beyond the year 2000, call for a new evaluation of international co-operation. In this task the United Nations must play a major role. Mexico reiterates its commitment to participate actively in this process, and is confident that the developed countries will also effectively recognize the United Nations as the ideal international forum for the joint search for solutions to the main economic problems that we face.

The current climate in international relations gives an excellent opportunity to start on this difficult task. From East-West confrontation we are moving towards understanding and co-operation. Let us take advantage of the moment to complement the process of political détente with an improvement in North-South relations.

The developing countries have little time left. Our resumed growth and economic development must be not only the main topic for discussion during this session, but a responsibility of the whole international community; it would make a decisive contribution to preserving international peace and security.

Mexico calls upon all the Members of the Organization to make the current special session a landmark in the history of contemporary international co-operation. We cannot allow events to overtake our capacity to confront developments, nor renounce our inalienable right to decide our own destiny.

Mr. COORE (Jamaica): I join other representatives in welcoming Namibia as the newest State in the international community. It is a long overdue development, and we commend the efforts of the United Nations - in particular, the United Nations Transition Assistance Group - for the part it played in bringing it about. We urge and encourage the community of nations to give all possible economic assistance to this fledgling independent State as it seeks to reduce its dependence on South Africa.

This special session on international economic co-operation and development is taking place at a very critical moment in the evolution of the global economy. The most striking feature of the economic landscape today is the persistent and growing imbalance between the economic experiences and immediate prospects of the developed and developing world. The decade just ended has rightly been described as a lost

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decade for most developing countries, while the developed countries and a handful of developing countries have been enjoying a prolonged period of steady growth and unprecedented levels of affluence.

In the 1980s both in Latin America and the Caribbean and in Africa per capita income declined to such an extent that living standards are now significantly lower than in the 1970s. In contrast, average per capita income in the industrial countries is approximately 50 times that of the less developed countries, and the annual increase alone in the richer countries is about as large as the whole annual per capita income in the poorer countries - is around $300. The sad fact is that many of the poorest countries are getting poorer, with little prospect of economic growth, and so the gap between the North and the South continues to widen, as does the gap between groups of developing countries as they experience different growth rates.

(Mr. Coore, Jamaica)

It is against this background that we meet here to begin the process of fashioning a strategy of economic co-operation for the next decade. In my remarks I should like to focus on four issues which appear to my Government to be of central importance in any strategy aimed at improving the prospects for economic growth, social well-being and political stability in the developing world.

The first such issue is the continuing problem of external debt. This can no longer be called a crisis. It has, in fact, for many countries, particularly in this hemisphere, become a permanent debilitating condition denying the possibility of economic growth and threatening the collapse of social services with all that this implies for present and future deterioration of living standards and political stability.

The initiatives that have so far been taken have had as their primary objective the maintenance of debt-servicing flows, the protection of creditor institutions and the maximum avoidance of either political risk or additional financial commitment by creditor countries. Up to this point, these objectives have been attained. Indeed, the creditor countries have been the beneficiaries of a net transfer of resources from developing debtor countries and have enjoyed steady economic growth and rising standards of living.

The debtor countries, on the other hand, have achieved none of their objectives. The size of the external debt has grown for the whole group as well as for many individual countries. At the end of 1989 it stood at $1.3 trillion. And notwithstanding remarkable increases in export volumes, the proportion of export earnings pre-empted by debt-servicing has not decreased. Since the objective of "growth with stabilization" projected by the Baker Plan has not materialized, this has meant, at best, stagnation in the domestic economy, and in many cases falling standards of living which have impacted most severely on the middle and lower income groups in each society.

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There are, however, some promising signals. It has now been explicitly recognized in the Brady Plan that direct and positive steps have to be taken to reduce the totality of the debt itself even if this involves some cost to the lending institutions and some provision of incremental resources by creditor countries.

Secondly, the transformation of bilateral official debt into grants has been put in place for the benefit of some of the poorest countries on the African continent. Recently, the Government of Canada has extended this by writing off $182 million of bilateral debt owed by a number of Caribbean countries, including my own.

It is the view of my Government that it is the responsibility of this special session to obtain an international commitment to deal with the debt problem in such a manner as to enable the debtor countries to recapture a realistic prospect of future economic growth and social development. Identifying the necessary technical solutions is in many ways the easiest part of the problem. What is lacking is the will and the commitment to implement the many existing proposals by the creditor countries and the unity of purpose among the developing debtor countries to insist on this comprehensive approach.

The second issue to which I draw attention is the need to review the role currently being played by the multilateral financial institutions in the development process, particularly those which are part of the United Nations family - namely, the International Monetary Fund (IMF) and the World Bank. Because of the drying up of commercial credit to developing countries since 1982, these institutions have, for many countries, become the main source of external loan funds and are, in fact, the holders of very substantial portions of total indebtedness.

(Mr. Coore, Jamaica)

In the case of my own country, for example, only 10 per cent of our total debt is owed to commercial banks, whereas some 40 per cent is held by multilateral financial institutions. Because of the existing policy rules of these institutions, their loans cannot be either restructured or refinanced. As a consequence, a number of countries now find themselves in the position where their annual repayments to these institutions exceed actual or even potential loan inflows and they are therefore net transferers of resources to one or both of them. Again using my own country as an example, we experienced a significant net negative transfer to the IMF between the years 1987 and 1989. This is a wholly ridiculous situation and unless some way is found to correct it these institutions will then cease to be a part of the solution to the problem of scarce foreign exchange and resulting economic stagnation and become part of the problem itself. We urge that immediate consideration be given to remedying this situation by either permitting these institutions to restructure or defer debt-servicing payments to them in appropriate cases or by creating a refinancing fund which can be used to prevent member developing countries becoming net transferers of resources.

There is, however, a more fundamental and controversial aspect of the current operating practices of these institutions which, we believe, needs careful consideration. Partly by deliberate design and partly by default, the multilateral institutions have come to exercise a controlling power over the basic economic and financial strategies and even the detailed micromanagement of the economies of the countries of the developing world. They are using this power to enforce, often in the most extreme form, a specific ideological model of economic management. This not only conflicts with the basic expectation of people that their sovereign Governments have the responsibility for taking fundamental economic and social decisions but is not necessarily relevant to the needs and capacities of all countries and to the same extent. Under the general rubric of structural adjustment programmes, countries are being obliged to follow policies of undifferentiated interest rates, non-protective tariffs, removal of subsidies from basic necessities, rigidly defined fiscal parameters and exchange control liberalization, among many others.

Failure to follow these policies results in the denial not only of access to the funds of these institutions themselves but, increasingly, to any form of commercial or even bilateral credit. These policies reflect the current preoccupation of the major industrial countries which also control the multilateral institutions. They may work very well in countries with a developed industrial and technological base, developed financial institutions, substantial capital accumulation already in place and an established social security safety net.

But it by no means follows that, for example, an open import policy is the best prescription for countries suffering from a severe shortage of foreign exchange. Neither is there any obvious logic to the doctrine that agricultural credit banks which themselves obtain concessional funds should then lend those funds to small farmers at "real" interest rates that may be beyond their capacity to service.

Most developing countries accept that, if their economies get out of balance, it is necessary for them to adopt appropriate macroeconomic policies to adjust these imbalances. It is well known that if orderly adjustment programmes are not undertaken, then adjustment and balance will be achieved in a disorderly way with runaway inflation and catastrophic falls in real incomes.

My concern, therefore, is not with the necessity for, or the broad objectives of, adjustment programmes. My concern, rather, is with the practice that has developed of total micromanagement of a country's economy with not only detailed

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quantitative targets being set but also the designation of specific policies and actions which must be taken. The country is thereby denied the opportunity of obtaining these objectives by exercising its own judgement as to what are the best policy prescriptions. The insistence on minute quantitative targets, some of which have to be achieved on a monthly basis, can turn out to be wholly unrealistic.

In short, there is urgent need for re-examination of the basic assumptions of the structural adjustment prescriptions being administered and a greater degree of flexibility in the extent to which they are translated into precise programmes.

The third issue I should like to emphasize is the primacy that must be given in any development strategy to human resources. In the final analysis, development of our human resources is an essential condition of sustained economic growth. This has always been so, but it is even more obvious and imperative in the world of rapid technological change in which we live.

Education and training, adequate housing, health and nutrition must be in the forefront of national development programmes and international co-operative assistance. We often speak of the desirability of the transfer of technology to developing countries, but for this to take place effectively the transferee has to be in a position to receive, retain and utilize it. This requires a population educated not only in a general sense but specifically educated in the disciplines of science and technology. The balance of comparative advantage has shifted irreversibly from the suppliers of commodities based on low-skilled labour to the providers of services based on an ever-widening spectrum of technical skills. Countries that have invested heavily in science and technology have prospered, and therein, perhaps, lies one of the fundamental differences between developed and developing countries. Indeed, it is also increasingly marking the difference between those developing countries that have advanced and those that remain at a comparative disadvantage in pursuing national development goals and enjoying a share of the fruits of world economic activity and growth.

One of the consequences of the structural-adjustment programmes that many developing countries have had to implement has been a decline in both the absolute and relative proportions of national budgets allocated to all phases of education and training. This is a trend that has to be reversed in the decade ahead.

The final issue to which I wish to draw attention is the necessity for co-operation among the developing countries to increase the flow of trade, investment, technological assistance and financial services among themselves. While the necessity for this has long been recognized, very little has actually been accomplished. The result is that while the developed countries are strengthening themselves and appropriating an ever-increasing share of the global product through the formation of trading blocs, the transnational production of

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goods and services and the co-ordination of economic policies, the developing countries are becoming increasingly marginalized in the process of global wealth creation and distribution.

It is the recognition of the need for some countervailing strategy of co-operation among developing countries that led to the formation of the South Commission. That Commission is about to present its report outlining a programme of action to this end. The Group of 15, which was formed last year on the occasion of the non-aligned meeting at Belgrade, has begun to work at the technical level and will be holding its first summit meeting at the political level early in June. Jamaica strongly supports those initiatives.

I have sought in my contribution to this discussion to highlight some of the specific issues which we believe call for urgent consideration in any strategy for future development. They do not by any means exhaust the agenda, but we believe them to be of some importance.

We trust that out of this special session will come something more than general expressions of the need for international co-operation and mutual support. What is needed are specific commitments by both the developed and the developing countries, fortified by a will to implement them, that will bring a renewal of that hope of betterment to the wretched and underprivileged of the earth for the decade ahead that was so sadly frustrated in the decade now ending.

Mr. WARNKE (Federal Republic of Germany): Sir, allow me to offer my felicitations to you, an outstanding representative of Africa, in your important position as President of the General Assembly. I am confident that under your guidance the eighteenth special session of the General Assembly, despite many a question still pending, will usher in a new and fruitful phase of international co-operation.

(Mr. Warnke, Federal Republic of Germany)

The Foreign Minister of Ireland has already presented the common position of the States members of the European Communities. Allow me to make a few supplemental remarks and to add some emphasis from the point of view of the Federal Republic of Germany.

The special session is taking place at an auspicious moment. World-wide détente between East and West is helping to create a new climate of international co-operation and is improving the conditions for coping with pressing global challenges: the fight against poverty, the steady destruction of the global environment, population growth and drug abuse.

During past months history has been made in Germany and in the whole of Central and Eastern Europe. In the global contest between dictatorship and a free, democratic order, the peoples of Central and Eastern Europe this past year won their freedom by peaceful means. For us Germans this has brought the chance to unite the two German States.

Our Western partners, especially in Europe, and President Bush in particular, are giving sympathetic support to our national cause. This is also true of our friends in Africa, Asia and Latin America. For this they all deserve our gratitude. All the while, we realize that the changes in Europe would not have been possible without President Gorbachev's policy.

These days the question is often raised as to whether the Federal Republic of Germany will be able to reconcile its new commitment in Eastern Europe and in the other part of Germany with a continuation of its development aid on the present scale. The answer is a clear "Yes". Notwithstanding the additional demands facing the Federal Republic of Germany as a result of the opening up of the Central and Eastern European countries, our economic co-operation with the countries of the third world will continue undiminished. The fear of a curtailment of development

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aid is rooted in the old way of thinking. The new situation in Central and Eastern Europe is characterized by the very fact that brakes have been removed, ideological fetters eliminated and powerful new growth potentials set free.

In relation to our assistance from North to South, our assistance from West to East will not be a question of "either-or" but of "as well as", a commitment, affirmed by Federal Chancellor Helmut Kohl. Thus, to assist Central and East European States we have allocated additional funds. At the same time, our expenditures for co-operation with the third world are on the rise. German participation in the ninth replenishment of the International Development Agency and, not least, the recently signed Lomé IV agreements - co-financed by the Federal Republic of Germany as the largest donor State - serve to underline by their substantial increases the importance the Federal Government attaches to development co-operation with the countries of the third world.

(Mr. Warnke, Federal Republic of Germany)

For the first time, the German Democratic Republic has established a Ministry for Economic Co-operation. The Federal Government welcomes that decision. The Governments of the Federal Republic of Germany and the German Democratic Republic have agreed immediately to co-ordinate their development co-operation. Like me, the Minister for Economic Co-operation of the German Democratic Republic, Mr. Ebeling, will today address this special session of the General Assembly.

This, then, is our pledge: on its way to unification, Germany will continue to exercise its responsibilities with respect to the developing countries.

In all regions of the world the East-West conflict has marred the effectiveness of development aid and development opportunities as a whole. Now new opportunities for development and co-operation present themselves: The entire North-South dialogue is freed from ideological ballast. As a result of global détente, funds previously spent on defence will be released both in the industrial countries and in the third world, offering greater latitude to development aid in the medium term. The economic upswing that the Central and Eastern European countries will witness upon the introduction of a market economy will generate additional demand in those countries, including demand for goods from the third world. There are already signs that Central and Eastern Europe may become an engine for progress and development in the world. The peaceful revolution in Central and Eastern Europe and the economic reforms undertaken there are sending a signal to the third world. And this signal is being taken up by an increasing number of developing countries.

In Central and Eastern Europe it has become evident that centrally planned, State-run economies lead to a dead end. The alternative, however, is not the ugly

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face of ruthless capitalism. There is a third way: a social market economy, an economic order in which the free play of market forces is held in check by social and ecological responsibility.

Development needs stable and predictable conditions to enable people to develop their potentials. Sustained economic growth and latitude for private enterprise, the participation of all sectors of society in political and economic life and, not least, respect for human rights are conditional upon each other.

Within the framework of our development aid we therefore are prepared to continue to provide advice to interested countries on political and economic reforms, on the creation of room for private enterprise and on market-based economic systems that bring about social justice, on the promotion of the participatory approach to the development process, and on the establishment of democratic forms of government and administrations guided by the rule of law.

The counterpart of the need for far-reaching structural reforms in the developing countries is the responsibility of the industrialized countries to create global economic conditions that support the development efforts of the countries in the third world. Therefore, the Federal Republic of Germany will continue to press for open markets and a free global economy. The single European market, which we hope to complete in 1992, will open up new trading opportunities for the developing countries also. There will be no "Trading Fortress Europe" in 1992. Furthermore, we shall make every effort to ensure that the Uruguay Round will also produce results of benefit to the developing countries. We regard this also as an important contribution toward reducing the critical problem of indebtedness still confronting numerous developing countries.

(Mr. Warnke, Federal Republic of Germany)

Economic development will be sustainable only if it is sensitive to the needs of the environment. The 1990s will be the decade of environment and development. For all mankind the issue is the very survival of creation. That is why the Federal Republic of Germany attaches special, pioneering importance to the 1992 United Nations Conference on Environment and Development.

The disastrous environmental destruction in the countries of Central and Eastern Europe - and the extent of that destruction became fully apparent only after the collapse of the old régimes - powerfully underlines once again the need to achieve sustainable development in harmony with nature. Prosperity today must not jeopardize our children's survival.

Harmonizing environment and development is a challenge first and foremost for the industrial countries themselves. They bear a special responsibility and have a special need to act, simply because world-wide they are among the main polluters of the environment.

In the third world poverty is still the worst poison for the environment. It is therefore incumbent upon all parties involved, and especially the development-assistance sector, to break the vicious circle of poverty/population growth/increased pressures on natural resources/environmental destruction/increased poverty; and to do so in many places at the same time. This means stepping up population policies, a call addressed to, among others, the United Nations. The fight against poverty in the third world, especially in Africa, will retain its priority in the 1990s. Therefore, the Federal Republic of Germany is already giving more than one half of its development aid to the poorest of the developing countries.

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The global struggle against drug abuse is likewise creating new challenges for development co-operation. Development aid can and should help eliminate the social root-causes of drug cultivation and consumption in the developing countries.

Today's admission of an independent Namibia to the United Nations represents a victory of the Namibian people. At the same time, it is a victory of the United Nations, without whose commitment Namibia's road to independence via free and fair elections would not have been possible. On behalf of my Government I should like to express sincere thanks for this outstanding accomplishment to the Secretary-General of the United Nations, to his Special Representative and to all those involved. We wish the United Nations, as the most effective peace-making force, similar success in Central America - especially in Nicaragua and El Salvador, but also in Haiti. The Federal Government is prepared to play an active part also in future peace-keeping operations of the United Nations.

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Moreover, my Government holds the view that the United Nations should assume an important political and more effective co-ordinating role in emergency relief operations, especially in Africa.

I have outlined important challenges of the 1990s that will shape international co-operation. They will be affected by the triad of disarmament, environment and development. On its way to unity and as a united country, Germany will make its contribution to that triple challenge.

Mr. ISHII (Japan): On behalf of the Government and the people of Japan, I should like first to offer you, Sir, my sincere congratulations on your election as President of the eighteenth special session of the United Nations General Assembly.

I should also like to extend a most hearty welcome to the new State of Namibia, which has become the 160th Member of this international Organization. It gives me great pleasure to note that the independence of Namibia was finally achieved through peaceful means with the support of the United Nations, and I feel proud that Japan also contributed, through the United Nations, to the birth of this new nation.

We are gathered here for a special session on the world economy for the first time in a decade, the last having been the eleventh special session in 1980. When we, the nations of the world, met here at the United Nations a decade ago, we were faced with various difficulties, such as sharply rising energy prices, recession, and growing unemployment and poverty in developing countries. After determined and patient negotiations, we adopted the substance of the International Development Strategy for the third United Nations Development Decade.

During the 10 years since then, however, the world economy has undergone great structural changes and has become even more interdependent. The developed

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countries, emerging from the energy crisis and stagflation by means of individual and joint efforts, have survived. The newly industrialized economies of Asia and the members of the Association of South-East Asian Nations have clearly emerged as major new actors in the world economy. But in turning to the rest of the world, we see many developing countries still suffering from weak growth, trade deficits, accumulated debt, and in many cases worsening poverty. Moreover, in recent years, new problems of global dimensions, such as environmental degradation, drug abuse, and the population explosion, have grown more serious, making the challenges facing developing countries increasingly complex.

It is indeed most meaningful that all the countries of the world have gathered together for a high-level discussion of world economic problems, particularly the development problems of developing countries, precisely at a time when the world economy is facing tremendous changes and new challenges.

I believe that human resource development, growth, and sustainable development are the three most important issues for both developing and developed countries to consider when addressing the question of world economic development in the 1990s. In considering the problems facing developing countries, it is, needless to say, essential that they achieve self-reliance. And the possibility of their achieving self-reliance depends upon human resource development.

Accordingly, for the past 10 years or more, Japan has constantly stressed the importance of co-operation in human resource development. It has done its utmost in this field, for example, by increasing fivefold the amount of its technical co-operation in direct terms in the past decade.

The first step in the promotion of human resource development in developing countries is to spread primary education and to improve the literacy rate. I hope there will be active discussion on this matter in the various forums of the United Nations this year, which has been designated International Literacy Year.

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When we consider the issue of development in developing countries, growth is as important a factor as human resource development. In the 1980s, although high rates of economic growth were seen in Asia, many countries in sub-Saharan Africa and Latin America recorded negative per capita growth. There are internal as well as external reasons for weak growth on the part of those developing countries, and it is necessary for developed and developing countries to co-operate closely to end the vicious circle of weak growth in order to revitalize the world economy.

The debt problem is hampering the growth of developing countries. Their total debt as of the end of 1989 is estimated at $1.29 trillion. That creates serious problems not only for the sound development of developing countries but also for the balanced growth of the world economy.

To solve the problem, indebted countries must first endeavour to create a domestic environment in which their people can fully exploit their economic potential. Specifically, in order to restore credit-worthiness to their economies, developing countries must implement structural adjustment measures, including those aimed at restraining inflation, improving the domestic savings rate, activating the private sector, controlling capital flight and creating an environment favourable to increased direct investment. At the same time, it is necessary for developed countries to extend greater financial assistance to the structural adjustment efforts of indebted countries in an appropriate and timely manner.

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The importance of expanding financial flows to developing countries is also stressed in the report of the "Independent Group on Financial Flows to Developing Countries", chaired by former Chancellor of the Federal Republic of Germany His Excellency Mr. Schmidt. That group was established in accordance with a proposal Japan made at the seventh session of the United Nations Conference on Trade and Development. Japan is striving to facilitate financial flows to developing countries by implementing a resource-recycling plan amounting to more than $65 billion and by expanding its official development assistance in line with its fourth official development assistance medium-term target plan.

For the sound economic development of developing countries, it is also important to improve the environment for trade so that those countries may attain a steady expansion of their exports. As a nation which owes its current prosperity to the free trade system, Japan intends to do its utmost, with the participation of developing countries, for the success of the Uruguay Round negotiations, which will conclude this year.

It is important for developing countries to attain stable commodity export earnings in order to achieve development. It gave Japan particular satisfaction to see the Agreement Establishing the Common Fund for Commodities finally enter into effect in June of last year, and we are pleased that the preparations for full-fledged operations of the Fund are making substantial progress. Japan has already made a contribution to the first account and plans to contribute to the second account as well. We earnestly hope that the Common Fund will be effectively utilized.

Global environmental problems stemming from greatly expanded human activities, population growth and industrial progress in recent years are threatening the very basis of existence of all creatures on earth. In the process of rapid urbanization

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and industrialization, people in developing countries have suffered from unprecedented levels of air and water pollution never experienced by developed countries.

I am convinced that translating the widely accepted concept of sustainable development into practical measures is the key to our development strategy henceforth, and the United Nations Conference on Environment and Development, which is to be held in 1992, provides the ideal opportunity for progress in this regard.

Japan is making various contributions to the solution of environmental problems. For instance, in the area of assistance to developing countries, Japan has set a target of about 300 billion yen in bilateral and multilateral co-operation during the three fiscal years 1989 to 1991; its plan is now being imlemented successfully. For the fiscal year 1990, Japan is considering increasing its contributions to the United Nations Environment Programme (UNEP) and the International Tropical Timber Organization (ITTO). In addition, believing that it is important to set up an international framework to solve global environmental problems, Japan is actively participating in various international forums, such as the Intergovernmental Panel on Climate Change. Further, with regard to the United Nations Conference on Environment and Development, Japan intends to make a positive contribution right from the beginning with a view to ensuring the success of the conference.

If mankind is to enjoy sustainable development of this finite planet, it is essential that efforts be made in the area of population control. It is in the poorest parts of the world that the birth rate is highest. This phenomenon is at the root of underdevelopment, with poverty, population growth and environmental degradation forming a vicious circle. Resolving it will require strong political commitment on the part of all countries, developing and developed alike, and the establishment of an international consensus at the highest level. Although substantial efforts are already being made by the United Nations, led by the United Nations Fund for Population Activities and the Population Commission, it is important that, on the occasion of this special session, the international community heighten yet further its awareness of this problem, and that the results of the session be fully reflected in the International Development Strategy for the Fourth United Nations Development Decade.

In considering the question of sustainable development, we should not forget the problem of natural disasters. During the past 20 years, natural disasters are estimated to have killed three million people, afflicted another 800 million and caused damage valued at more than $23 billion.

To cope with these natural disasters, adequate emergency relief assistance and reconstruction assistance are important. Equally important, however, are efforts for disaster prevention that will reduce the impact of natural disasters. In co-operation with Morocco, Japan took the initiative in proposing the International Decade for Natural Disaster Reduction, as a way of emphasizing the importance of this concept, which has not yet received adequate attention from the international community.

The International Decade for Natural Disaster Reduction starts this year. In preparation for the Decade, the Government of Japan last year established the National Headquarters for the Decade, headed by the Prime Minister, and this year it plans to hold in Japan a major international symposium to mark the commencement of the decade. In addition, my Government is considering a financial contribution for the activities of the United Nations in this field.

I have here addressed the three elements which, I believe, are most important for the steady development of the world economy in the 1990s: Human resources

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development, growth and sustainable development. The point I should like to make most emphatically is that, to attain any of these three goals, closer and more effective co-operation between developed and developing countries is essential.

I hope that this special session and our work in formulting the International Development Strategy for the Fourth United Nations Development Decade which follows will serve as the basis for building such a co-operative relationship.

Further, it is my hope that the United Nations system, of which the United Nations Development Programme (UNDP) is the central funding agency, will take full account of those three aspects in all its development activities.

Virtually from the end of the Second World War until today, the world was viewed from two dichotomous perspectives, the political conflict between East and West and the economic disparity between North and South. But developments in Eastern Europe during the past year have largely rendered obsolete that way of looking at the world. And a new co-operative relationship is being built up, replacing the old cold-war thinking.

With regard to the relationship between developed and developing countries as well, with the ongoing dynamic transformation it is no longer possible to explain the world economy in a bipolar framework of North and South. Now is the time to discuss a new international framework in which to view and address the problems of the world economy. I think this Organization must play the central role in those discussions, and for that purpose we must ensure that the debate at the United Nations will have a direct bearing on today's economy. Japan is determined to participate actively in those discussions.

Mr. PELLETIER (France) (interpretation from French): Allow me, Sir, to join all those who have congratulated you on your election to the presidency of the Assembly at this session, which will, I hope, go down in the history of the United Nations as an important one. We have started off well, since we have just had the pleasure of receiving the Republic of Namibia in our midst.

The head of the delegation from Ireland, speaking on behalf of the European Community and its member States, has naturally presented views which we fully share. I hope that everyone has been sensitive to the desire for opening a dialogue, to the constructive and conciliatory spirit motivating the countries of the Community.

For my part, I should like to try to show here how, when France participates in United Nations activities for international economic co-operation and development, it sees the prospects for co-operation in the period opening up before us, which is, in turn, both uncertain and promising.

The United Nations is a unique forum in which Governments meet and peoples recognize one another. In this forum, my country believes, it is essential to give new impetus today to the shared determination to co-operate in promoting development. We are more fully agreed than in the past on the urgent need for action.

It seems clear to me that we must take the opportunity of this session to reaffirm the universal desire to see that the peoples suffering from underdevelopment overcome it and also to reaffirm the emerging consensus on certain principles of action in this area.

If we succeed in the course of the present session in defining some of these principles sufficiently to articulate a strategy of concrete action around them for development in the 1990s, the United Nations will have indeed played its role with a view to the calendar of international events that lie ahead.

I am thinking first of the next event, the Paris Conference on the least developed countries, to be held in September.

That Conference should give us an opportunity to take stock, without complacency, of the application of the Substantial New Programme of Action and the performance of the economies of these countries and of the States and organizations which have helped them in the past decade. It will also provide us with an opportunity to adapt a new collective strategy for development to the special needs of these countries.

I have in mind also that new strategy itself, which should be adopted at the next session of the General Assembly and for which the current preparations will need a few simple but firm political guidelines. These should help us to avoid the frustration of a new strategy that would be merely a catalogue of wishes.

Lastly, I must not fail to mention the eighth meeting of the United Nations Conference on Trade and Development in 1991 and the 1992 conference on the environment and development; both will be occasions for reaffirming a political agreement on the content of actions for development at the end of the century.

Our meeting today provides an opportunity for me to make one observation: the situations in regard to underdevelopment have become more dissimilar. But the recent changes in one part of the world are grounds for hoping that the United Nations is moving closer to consensus in the spirit of universality which it should have.

We hope so because the time has come not only to devise new instruments to meet challenges, which, unfortunately, have long confronted us but also to take up the new challenges of the coming decade.

The changes in one part of the European continent should facilitate agreement on analyses of underdevelopment, and therefore on the aid which the countries of the North can provide to those of the South. Recent accessions to membership in certain international bodies confirm this positive development.

The improvement in the international climate should, first of all, benefit the developing countries, whose answers to the economic crises of the 1980s were very different. The effect of those crises on their economies also varied: overindebtedness, declining export earnings, deteriorating social indicators, and decaying structures. Taken as a whole the countries of the South have found themselves defenseless in the face of these problems and without the means to carry out the required reforms.

The gaps between the developing countries have become much wider. Some countries that had shown promising potential were able to attain a certain rate of growth but are experiencing difficulties in penetrating an international system which the crisis has made less flexible and in which debt and protectionism are obstacles to any assurance of lasting growth. Others have achieved a balance at this time, but many countries in the South find themselves facing marginalization.

This is the case in Africa, and more especially in sub-Saharan Africa, where the situation has deteriorated greatly over the last few years. Internal factors specific to each country have combined with those of an adverse international economic environment, in particular the decline in private investment and the combined effects of such diverse factors as drought, which has led to the desertification of extensive zones that were previously exploitable; endemic diseases as deadly as AIDS, which is spreading, and malaria, which is on the increase again; and uncontrolled population growth higher than the rate of growth of the economy, which reduces to naught all attempts to improve living conditions for populations.

The case of Latin America, whose efforts for development have been gravely compromised by a huge debt, also deserves all our attention.

(Mr. Pelletier, France)

The prospects for development are more satisfactory in Asia and in the Pacific, but this should not make us forget that that region includes some least-developed countries and continuing regions of poverty.

The analysis I propose leads me to two conclusions. The regional and subregional approach should be given greater emphasis in development assistance, but especially by the countries of the South themselves, although each one is pursuing specific policies.

It also leads me to emphasize the necessary complementarity of economies and to plead for greater co-ordination among them.

It is through the definition of coherent policies together by the use of dialogue, without concessions but with respect for the path taken by each country that co-operation will best express the solidarities among us.

The prospect of a trustful participation of all member countries in the concert of nations opens up new possibilities for dialogue between the North and the South.

Reflecting on the future of the world, one notes the implications for developing countries of the liberalization under way in international trade. Thi evolution makes it more essential than ever for the developing countries to seek t be competitive and to make progress in regional integration, which is a factor tha promotes stability and equilibrium.

In this movement, new solidarities may be affirmed, as is already the case between certain States in the North and the South, for example, in collaboration between French-speaking countries. These solidarities should be developed with du recognition for diversity.

(Mr. Pelletier, France)

Co-operation between the developing countries is another avenue to be seriously explored, particularly in Sub-Saharan Africa, which comprises numerous regional organizations whose work towards unifying markets, creating viable economic spaces, reducing bottle-necks and generating federal-type projects is often not translated into concrete form. Yet there are compelling reasons to pursue this South-South co-operation: the search for a framework better adapted to foreign investment, food security and the unification of policies in the area of scientific research and transportation.

The international community can help the efforts of the developing countries in moving towards such regionalization. The regional banks, the World Bank and the European Fund for Development are studying this aspect of aid. To this end France has proposed an international foundation for research in Africa.

At this time development assistance faces a double crisis.

First, development policies pursued by our partners in the South are coming up against a complexity of language on development which combines structural adjustment, sector rehabilitation and support for projects, without always giving each its appropriate place. Governments, caught in the grips of frequent catastrophes, ill-supported by inadequate administrative structures and little encouraged by an international economic environment perceived as hostile, have difficulty conceiving of the medium-term in such conditions.

Secondly, development assistance is stagnating. For most of the developing world it has collapsed, even in countries making the necessary efforts to attract investment. It is up to Governments and multilateral financial institutions to take up the slack in these flows, to accompany the costly and sometimes painful reforms the developing countries are undertaking to attract new investment.

Multilateral trade negotiations now drawing to a concluson will make it possible to offer openings to investors.

(Mr. Pelletier, France)

It is therefore more important than ever that we try to reach the target of 0.7 per cent of our gross domestic product for official development assistance, of which 0.15 per cent is for the least developed countries. We must also try to improve the quality of this aid, taking care to continue to finance development so that the increase in productive investment accompanies reforms in structure.

We have a duty to pursue the development of human resources, agriculture and infrastructure and at the same time we have to face new problems.

The problem of indebtedness, and even over-indebtedness, long ago reached untenable proportions for many developing countries.

The implementation of corrective mechanisms has begun, and encouraging developments should be emphasized: unilateral debt cancellation, such as that announced by France in Dakar; preferential treatment for the public debt of the poorest and most heavily indebted countries at the time of the debt rescheduling of the Club of Paris; and the signing of the first major agreements on bank debt reduction.

But the current solutions have still found only limited application. We should demonstrate more imagination and generosity in order to widen their implementation.

The case of countries facing growing multilateral debt requires special attention, as does that of middle-income countries for which the reinforced strategy on debt can produce only limited results.

Commodity prices have experienced erratic fluctuations in the past decade, almost always downward. The system for compensating export-earnings losses under the Lomé Convention is an interesting approach that for the time being has no equivalent. Admittedly, we are basing our hopes on the Common Fund for Commodities, but here too more imagination and financing are needed.

(Mr. Pelletier, France)

There are serious difficulties with the commodity agreements, and they require immediate consideration, but the principle should not be brought into question. In this context the search for competitive export sectors has to become one of our new priorities when discussing basic commodities.

Market regulation cannot be ignored, but should be restricted so as not to cancel out existing gains and the potential for progress: reasonable prices for commodities should be a common objective for all nations.

At the same time, the nations of the world, whether they have achieved more or less progress in economic development, are confronted with common challenges, and only an across-the-board approach will make it possible for them to be addressed.

The environment is the first of these. The concern is general, but the developing countries are confronted with specific problems in this respect. They are not always in a position to participate fully in defining and implementing overall policies designed to avert such world-wide threats as the ozone layer and the greenhouse effect. It therefore falls to the international community as a whole to address the challenge. On the other hand, desertification, the management of natural resources, energy, and control of the urban explosion affect the South above all. We are all responsible for the protection of the environment; the interdependence of the causes and the answers requires comprehensive solidarity and a complementary approach.

Progress towards a state of law is the second. Development is the bearer of democracy, but the opposite is also true: the absence of democracy blocks the process of development. The pursuit of democracy is therefore a goal we all share. We can move in that direction through institutional co-operation, encouraging the establishment of structures to enable peoples to express their will freely and society to participate more actively in decisions that concern it.

(Mr. Pelletier, France)

We should also give particular attention to the struggle undertaken in certain countries against corruption.

The third challenge is population. Uncontrolled population growth, with its attendant social and health consequences, threatens the gains of development and accentuates the imbalance between cities and the rural world.

Certainly, in the area of demography France respects the independence of each State and its political choice with regard to population, as well as freedom of choice for couples and individuals. But we should also like to recall that the information and means necessary to control reproduction should be made available to everyone.

In conclusion, I should like to make two points.

First, France devotes 0.54 per cent of its gross national product to development; in 1989, that amounted to more than 32 billion francs. That puts France in third position in absolute value and fourth in relation to gross national product. We plan to develop and expand this effort. New regions of the world are now appealing for the technology, investments and solidarity of the industrial countries. I refer to Eastern Europe in particular. I solemnly reaffirm in the name of my Government that our priorities have not changed and that all action in favour of new regions will have to be financed by additional resources and not through the redeployment of existing means. Furthermore we must consider how to make the current developments in Eastern Europe fully benefit the countries of the South, whether through international détente or the flows of capital or trade in certain tropical products. We should also make a determined effort, as France has already proposed, to see that part of the resources made available from disarmament are devoted to development.

(Mr. Pelletier, France)

Secondly, this special session should also be an occasion for us to formulate by common agreement the principles of action for the next 10 years with respect to co-operation and development. These principles might be the following.

Each sovereign State should be responsible for its own development and choice of means.

A long-term development policy cannot really be crowned with success unless it goes hand in hand with the promotion of a democratic framework.

International solidarity must, in a spirit of partnership, support these national efforts by providing the necessary technical assistance, offering open markets to products from the developing countries and contributing to the financing of their investments through the most appropriate channels - public aid, bank loans and direct investment.

Men and women constitute the principal wealth of each country; a policy for training adapted to the priorities of development is therefore the best possible investment.

The necessary efforts and sacrifices for development should be accompanied by social progress for the men and women who make them, as well as by a concern to protect the weakest so as to give development the human dimension without which it seems meaningless.

International exchanges can in certain cases be monitored, corrected and directed, but their vitality and expansion, and thus their freedom, are clearly necessary to development.

Finally, respect for the environment is an imperative of development and not a burden imposed from the outside; we believe the 1992 Conference should affirm the link between sustained development and respect for the environment.

Let us take the opportunity of this special session of the General Assembly to demonstrate in a strong and new fashion our agreement on firm, realistic and clear priorities, bearing the hopes of all mankind.

Mr. ALATAS (Indonesia): May I first express my delegation's great pleasure and satisfaction at seeing you, Sir, presiding over this momentous special session devoted to international economic co-operation. We are confident that with your outstanding qualities of leadership and diplomatic skill, which you so amply displayed during the forty-fourth regular session of the General Assembly, you will again guide our deliberations to a successful conclusion.

On behalf of the Government and the people of Indonesia, I am privileged to extend a special welcome to Namibia upon its accession to membership of our Organization. Namibia's admission to the United Nations not only represents the magnificent culmination of the heroic struggle of the Namibian people against colonial domination and racist oppression, but indeed vindicates the trust which mankind reposes in this unique multilateral forum to bring freedom and justice to oppressed peoples everywhere.

The Secretary-General's comprehensive report (A/AC.223/5 and Corr.1) has described the state of international economic co-operation and has pointed the way forward with perceptive clarity and objectivity.

In his statement this morning the Chairman of the Group of 77 eloquently articulated the collective views of the Group on the issues before us, and the Federal Secretary for Foreign Affairs of Yugoslavia gave the views of the Non-Aligned Movement. My delegation, of course, fully concurs with those statements. I shall therefore confine my intervention to highlighting some aspects which I believe to be of particular relevance and interest in the present stage of world developments.

This special session provides us with a timely opportunity to engage in sober reflection on the lessons to be drawn from the problems and experiences of the recent past. At the same time, it also presents us with the chance to harmonize our collective responses to the challenges, as well as the historic opportunities, facing us today in a world caught up in fundamental transition and transformation.

Looking back over the past decade, one sees that it is valid to observe that the world economy was basically characterized by uneven and low growth, acute disparities and continuing uncertainties. While the developed countries generally prospered, and world output and trade expanded, many developing countries continued to be caught in a web of cumulative constraints and setbacks and remained mired in stagnation and retrogression. Even in Asia, where, despite adversity, some developing economies have performed well, the number of people living below the poverty line is still of a staggering magnitude.

Some pertinent conclusions may be drawn from this state of affairs.

The first is the untenability of the notion that the economic growth and welfare of the developing countries would automatically improve if progress of the developed countries could be ensured, and that the increased prosperity of the latter could be effectively trickled down to the former through the transmission mechanisms of aid, trade and private investment. Experience has time and again shown this assumption to be false, or at least highly overblown, for even in the periods of unprecedented growth and prosperity of the developed countries - for example, 1952 to 1973 - the gap between the rich and the poor countries grew wider.

Secondly, exclusive reliance on the workings of market forces does not suffice in accelerating the efforts to bridge the North-South gap, as it in fact tends to favour the strong to the detriment of the weak. Paradoxical as it may sound, in a relationship of inherent inequality, too much liberty oppresses and it is regulation that liberates. Hence, developed countries should recognize that, as they have sometimes found it necessary substantially to curb the free operation of

(Mr. Alatas, Indonesia)

market forces in their domestic domains, it is unfair and unconvincing to insist on their pristine application in the North-South context. And it is even more unconvincing when developed countries show themselves quite prepared to interfere with those forces in the international sphere when it suits their interests to do so.

Thirdly, adjustment measures, no matter how strenuously pursued at the national level, can be of enduring impact only if complemented by an international economic environment that is conducive to their success.

As the decade of the 1980s drew to a close, world developments moved through a phase of transition and change of such scope and speed as to leave many of us with a mixed sense of relief and wonderment.

Clearly, the political climate and complexion of the globe are changing, portending new challenges, but also offering hopeful auguries for a better and more peaceful world.

Can the same be said of developments in the economic sphere? To be sure, change is also pervading the international economic scene, with seminal trends gaining increasing prominence, progressively propelling the world economy into ever greater interdependence and integration. But, in contrast to the aura of détente in East-West relations, unacceptable inequities and imbalances in the North-South equation still prevail, and may, indeed, grow worse.

It is now commonplace to speak of a new era of global interdependence. But genuine interdependence presumes equality, equity and mutual benefit, lest it simply cloak new forms of dependency relationships between developed and developing countries.

(Mr. Alatas, Indonesia)

The rapid advances in science and technology that are drastically altering the patterns of production, consumption, trade and financial interchange indeed offer new possibilities for more generalized prosperity among nations. Yet at the same time they may well impact negatively on the position of developing countries in terms of comparative advantage, terms of trade and the international division of labour.

(Mr. Alatas, Indonesia)

In an increasingly multipolar world, new centres of economic power and dynamism have emerged. But this trend is accompanied by the formation of powerful economic groupings among developed countries, as exemplified by the prospective single European market and the United States-Canadian Free Trade Agreement. Certainly, such regional economic integration could be a major stimulus to global economic activity, provided it remains outward-looking and does not result in additional external barriers. It is also recognized that the recent changes in Eastern Europe could have positive as well as negative effects on the growth prospects of developing countries. While increased consumer demand, implicit in these changes, may augur well for the widening of markets and expansion of exports by developing countries, there is also the real concern that substantial aid, investment and trade flows from the industrial North might now be re-channelled to Eastern Europe.

In short, while we welcome the amelioration in East-West relations, we cannot fail to note the North-South polarization becoming all the more accentuated as the central unresolved issue of our time.

It is in the light of these realities and prospects that the need to forge a new global consensus and commitment to strengthen international economic co-operation, and especially to revitalize the economic growth and development of developing countries, assumes poignant urgency.

It has long been obvious that the continuing disarray in the world economy is not caused solely by factors which are cyclical or transient in nature but, on the contrary, reflects a much more fundamental flaw in the international economic system itself. The way in which present international structures and mechanisms of trade, of money and finance, and of technology transfers operate, has tended to put developing counries at an inherent disadvantage and has led to marginalization of

(Mr. Alatas, Indonesia)

their role in world development and in the processes of international economic decision-making. Solutions, therefore, cannot and should not be sought in short-term relief measures only, or in piece-meal reform. Nor will any single country or group of countries be able to insulate itself from the consequences of these global problems or hope to succeed, without detriment to its own interests, in shifting the burden of their solution to weaker members of the international community.

Thus, what will be required is the concerted action of all nations in fashioning a global approach towards a solution, in the development of new concepts and improved structures and of more equitable modalities and mechanisms in international economic relations and in co-operation for development. Only in this way can we hope to build a new and more democratic international economic system, better capable of ensuring greater efficiency, equity and mutual benefit to global economic development.

Learning from the frustrating experiences and the causes of the prolonged stalemate in the past, we should not cast such a reactivated North-South dialogue in terms of "demands" on the part of the developing countries or of misperceived "charity" on the part of the industrialized countries.

In a situation where the major economic problems and their solutions intertwine with growing complexity and intensity, the economic fortunes and prospects of growth of both the North and the South have become inexorably enmeshed. Hence, a revived North-South dialogue should rather be based on the imperatives of genuine interdependence, mutuality of interest and shared responsibility.

Indonesia remains convinced that, diverse individual needs and concerns notwithstanding, all countries share a common, real and quantifiable interest in

(Mr. Alatas, Indonesia)

seeking more open, viable and equitable trading and monetary systems; achieving more stable primary commodity markets; obtaining a comprehensive and durable solution to the debt crisis; and ensuring sustainable global development through effective international co-operation in environmental problems.

In imparting new impetus to international economic co-operation responsive to the dynamics of global change, we should ensure that such co-operation will be based on just and equal opportunity for all and on the sovereign right of each nation to determine its own socio-economic system, its own pattern of national development, free from foreign interference and coercion. Moreover, structural changes will have to be effected in all the key sectors of the international economy, and specifically in the interrelated areas of trade, money, finance and development.

The need to maintain a more open, free and equitable international trading system cannot be overemphasized. It is vitally important therefore to bring the Uruguay Round, which has currently reached a crucial negotiating stage, to a successful conclusion. A successful Uruguay Round implies a balanced outcome of the negotiations in which due account is taken of the specific interests and legitimate needs of the developing countries. A balanced outcome should also mean that the participation and contribution of the developing countries in the trade liberalization process will continue to be guided by the principle of special and differential treatment and by developmental considerations.

For a large number of developing countries, commodity export earnings continue to play a vital role in their economic well-being. It would be unthinkable, therefore, to try to revitalize their economies without addressing the problems of international commodity trade, which continues to be characterized by volatile markets and secular declines in prices. The need of the moment is to inject new vigour into international commodity co-operation by promoting new mechanisms while preserving the spirit and principal objectives of the Integrated Programme for Commodities, including the optimization of the Common Fund. At the same time, serious efforts should be undertaken to facilitate the diversification and technological restructuring of the economies of commodity-dependent developing countries.

Other key issues which need to be urgently addressed are the critical external-debt problems of the developing countries and the related question of flows of financial resources for development.

One of the direct consequences of the retreat of multilateralism in the 1980s has been the stagnation in official development assistance at less than half of the internationally accepted targets. Similarly, foreign direct investment and commercial lending flows have, on the whole, fallen sharply. At a time when the developing countries are seriously engaged in effecting structural adjustments and in improving the foreign-investment climate in their economies, it should be reasonable to expect the developed countries to match these efforts by facilitating the continuity, predictability and assuredness of enhanced financial flows to the developing countries, specifically by increasing their official development assistance so as at least to meet the previously agreed target of 0.7 per cent of gross national product.

The growing financial outflows from developing countries in the form of external-debt payments constitute one of the most debilitating deterrents to sustained development. A comprehensive and development-oriented solution to the debt problem, anchored in the shared responsibility of both debtors and creditors, and providing effective debt reduction as well as adequate new flows for continued growth, is imperative.

(Mr. Alatas, Indonesia)

Developing countries acknowledge that their economic progress depends as much, if not more, on the implementation of sound domestic policies as it does on international action. But in the world economic conditions in which we live today, it is equally beyond question that sustained economic progress at the national level can be made only if it can be assured at the global level as well.

Because of time constraints, I shall not read the rest of my statement. Let me now conclude by saying that as we aproach the start of a new millennium, rapid and fundamental change is sweeping the world, and this process of change clearly possesses its own momentum. Hence, the ultimate question before us is whether we should allow this ongoing change to proceed on its own dynamics, unmanaged and uncontrolled, with all attendant risks of instability and upheaval, or whether human ingenuity and maturity of vision will prove capable of directing and channelling it in rational and orderly fashion and collectively steering the world onto a more peaceful and just course.

For this, a new global vision and a new sense of human solidarity will be urgently needed. In this joint endeavour there is no question of who wins or who loses, for we have to go forward together in a new global partnership for development, which cannot afford the luxury of failure.

ORGANIZATION OF WORK

The PRESIDENT: I should like to remind members of the decision taken by the General Assembly at the 90th meeting of its forty-fourth regular session that at the special session the Assembly would hold no meetings on the day of the Eid-es-Seghir. Consequently, I should like to inform members that the Assembly will hold no meetings on Thursday, 26 April.

Mr. HELENIUS (Finland): Mr. President, on behalf of the delegation of Finland let me begin by extending to you and to the other officers of the Assembly our congratulations on your elections. I wish also to thank the Chairman and officers of the Preparatory Committee for their active contribution.

I congratulate Namibia on its membership in the United Nations, for which my Government has also worked actively for several years.

The special session takes place at a moment that is particularly timely for several reasons. First, the world today is experiencing changes in relations between nations that can only be described as historical. Secondly, there are signs that the relations between developed and developing countries are about to enter into a new, positively pragmatic stage. Thirdly, the interdependence of nations and issues seems more and more acknowledged. Fourthly, we already live in a world where economic decisions affecting one nation also have an impact on other nations, enhanced by the integration of financial markets and by the rapid development of communications.

The initiative for a special session of the General Assembly devoted to international economic co-operation, in particular the revitalization of economic growth and development of the developing countries, was launched about a year and a half ago by the developing countries. My Government welcomed the initiative as a window of opportunities, even though in those days many developments which today dominate the international scene were not foreseeable. It is obvious that the improvement in East-West relations and the developments in Eastern and Central Europe have an impact on other countries outside the European region as well. We are convinced that the enhanced integration of those economies into the global economy will improve the ability of the world community as a whole to respond better to the deep-seated problems related to the resumption of economic growth and development in the developing countries.

In the 1990s developing countries will face unprecedented economic, demographic and environmental pressures. Poverty will continue to affect about one billion people all together. At the same time, the world's ecosystem is in danger, requiring decisive action and possibly profound adaptations in economic activity in both developed and developing countries.*

To meet those challenges established patterns of thinking are giving way to a new kind of realism and to a convergence of views relating to the action and policies needed for sustainable progress in development. My Government considers that the special session can provide further impetus and possibilities in this respect by sensitizing public awareness and that of decision-makers to the critical issues today facing the world economy as a whole.

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*Mr. Navajas Mogro (Bolivia), Vice-President, took the Chair.

In the course of the preparatory process my country, together with the other Nordic countries, expressed the view that, rather than giving detailed prescriptions for future co-operation, the special session should be seen as an expression of political commitment to working together for the reactivation of economic growth and development in the developing countries, for human development and for environmentally sustainable development. Those broad, interlinked issues, which we see as central to development, should direct action in other forums - like the multilateral trade negotiations, the preparations for the Fourth United Nations International Development Strategy and the New Substantial Programme of Action for the Least Developed Countries, the eighth session of the United Nations Conference on Trade and Development (UNCTAD VIII) and the Conference on Environment and Development - and even in the efforts to solve the debt problems.

The reactivation of economic growth and development in the developing countries calls for efficient partnership. On the one hand, recognition must be given to the fact that the developing countries are ultimately responsible for their own development. In the longer term, no outside measures can compensate for appropriate domestic policies conducive to broad-based growth and efficiency, both with regard to resource mobilization and to resource allocation. On the other hand, the international economic environment must be supportive of the structural adjustment measures by the developing countries to have a full and effective impact.

Another important element is the adequacy of external financing, be it official or private. The growing diversity of developing countries calls for differentiated forms of economic co-operation, including the provision of non-debt-creating financing, especially for the poorest countries. At the same time there is an urgent need to improve the institutional framework for new investments, which have drastically declined as a percentage of the gross domestic product, especially in Africa. The role of official development assistance continues to be of crucial importance, in particular for the debt-ridden countries undertaking structural adjustment measures. The donor community should take urgent action to reach the 0.7 per cent target of their gross domestic product as official development assistance, as soon as possible. At the same time the need to improve the quality of aid remains important.

One of the lessons of the past is that lasting economic and social development cannot be achieved without proper attention to human development in the broad sense. The full mobilization of the productive energies necessary for growth can only take place when there is a healthy and well-educated population. The respect for human rights of the entire population and its participation in the economic and political process are crucial for any development strategy to be successful. The role of women, not only as a question of equality but also as an agent of economic growth, should be fully acknowledged.

(Mr. Helenius, Finland)

The most decisive obstacle to development, and the crucial question facing mankind, is the present population-growth rates in many developing countries. A number of Governments are undertaking population programmes and have thus succeeded, also with proper emphasis on education, in improving the living standards of their people - as shown by the improvement in vital indicators. However, in many countries population-growth rates tend to baffle the progress made in other fields, like nutrition, health and education. Population growth also hugely aggravates environmental problems, especially in the form of deforestation, desertification and erosion, further impairing the earth's capacity to support its inhabitants.

The principle of sustainable and environmentally sound development is being widely accepted as the guiding principle for future actions both in the developed and in the developing countries. It is essential that the threats against the environment be taken into account in a wide sense and efficiently, both in the formulation of the new international development strategy and at the United Nations Conference on Environment and Development in 1992. The new dialogue established between the developing and the developed countries should also lead to concrete action as regards financing, transfer of technology and expertise in various sectors.

Finally, the United Nations itself as an instrument for the Member States must be adapted to the new circumstances and requirements. We have to be ready to establish our priorities also in the economic and social fields and to pursue them more efficiently. The intergovernmental machinery itself has become so cumbersome, with its two- or three-week preparatory committee, intergovernmental groups or governing councils, that it seriously drains the administrative capacity of all countries, including the developed ones. We do not want to live under a collective illusion whereby statements and resolutions become substitutes for deeds, for which there is an urgent need but less and less time. The reforms cannot begin anywhere else but with us, the Member States. I am convinced that only by simplifying procedures and adopting more businesslike working methods could this Organization truly fulfil the noble mission for which it was created.

Mr. GUJRAL (India): It is a matter of great satisfaction to me that my first opportunity of addressing the General Assembly is on the occasion of the special session devoted to international economic co-operation. We are very pleased that an esteemed personality from a country with which we have very friendly and cordial relations is in the Chair. I am confident that his skills will enable our deliberations to attain worthwhile objectives.

India rejoices at the entry of Namibia into our family of nations. The raising of independent Namibia's flag earlier this afternoon was a proud moment not only for the people of Namibia but for freedom-loving people everywhere. In congratulating our brethren in Namibia we congratulate ourselves too. I also congratulate the United Nations on its successful role in giving concrete shape to the cherished goal of the brave, courageous people of Namibia.

This special session convenes at a time of remarkable and unprecedented changes, some of which are taking place at a breath-taking pace. East-West détente has improved prospects for disarmament as well as for finding solutions to a large number of regional conflicts, solutions which had proved intractable until recently. With the improvement in these relationships between the big Powers, the United Nations is now in a better position to play the role envisaged for it in the Charter: to achieve peace and security and prosperity for all.

The last few months have seen a dramatic movement in East Europe in the direction of democracy, multi-party government, pluralism, the exercise of basic human rights, the opening up of economies and their integration in the world economy as a whole. This upsurge of democracy has recently had a welcome echo in Nepal, our close and friendly neighbour. Seldom in modern history have we seen such a decisive and powerful assertion of the people's will.

We applaud these changes. The formal ending of the cold war and the erosion of the rivalry between hostile Power blocs is a vindication of one of the principal objectives of the Non-Aligned Movement. As a democratic society wedded to a multi-party system and a mixed economy, India welcomes the changes taking place in Eastern Europe. We have a deep and abiding commitment to individual rights and liberties and have always kept the uplifting of the common man as the central objective of our development process. Our Government is entirely committed to upholding these values and to promoting greater social justice and growth within our own society. We have placed renewed emphasis on the agricultural and rural sector of our economy and are promoting a pattern of development which meets their needs and provides greater employment opportunities to our rural masses.

It is but natural for us to hope that these favourable developments will also lead to an improvement in the prospects of millions in the developing countries still afflicted by abject poverty. It is to those millions that this special session is dedicated.

Unfortunately, positive developments on the political and security side have not been matched by progress in the economic sphere for the developing countries. International economic co-operation, and particularly the dialogue needed to nurture it, remains more or less frozen. Meanwhile, the gap between the developed and the developing countries has widened even further. The developing countries as a whole feel excluded from the recent growth in the world economy. Even though some of them have maintained the growth momentum, the vast majority of them are worse off as compared to what they were a decade ago.

(Mr. Gujral, India)

If the emerging economic compulsions are not adequately accommodated, the resulting strains may very well undermine the current trend towards global peace and harmony. A détente devoid of economic content is unlikely to endure.

Meanwhile, the world economy is undergoing radical changes. Rapid developments in science and technology have transformed the patterns of production, consumption and trade. The revolution in communication and information technologies has led to an unprecedented integration of the world economy and of capital and other markets. These developments, along with the growing understanding of environmental threats to the planet, have heightened the awareness of the interdependence of nations and the interrelationship of issues. The unprecedented dimensions and the pace of the technological and financial changes have added to the complexity of the global economic problems and also led to the emergence of new problems, which can be solved only by nations acting together and not by each of them going its own way. The limitations of a unilateral or ad hoc approach have become all too obvious.

(Mr. Gujral, India)

The time has now come to take stock of those developments and assess their implications for the growth and development of developing countries. Global peace and security have to be nurtured and underpinned by parallel and complementary efforts to reduce economic disparities and inequities. Durable peace cannot be built on the shifting sands of economic uncertainties. It is in that context that we see the main significance of this special session.

The last decade has seen one of the worst anomalies of our time - the net transfer of resources from developing to developed countries. An increasing number of developing countries have fallen into the debt trap. This period has also seen the growing proliferation of protectionist measures, many of which have been adopted by developed countries in a discriminatory manner against the developing countries. Financial and monetary imbalances in the developed countries have adversely affected the economies of developing countries through higher rates of interest, exchange-rate fluctuations and general conditions of uncertainty in the world money and capital markets. Development assistance is fast losing its earlier pioneering role in the process of development and is now tied to too many conditionalities and cross-conditionalities. Technology transfers continue to be obstructed by their prohibitive prices, numerous restrictive business practices, and other limitations on access.

Despite those impediments, most developing countries are implementing wide-ranging policy reforms involving the adoption of more open economic policies aimed at integrating their economies into the mainstream of the world economy. As we have seen in India, those policies must not lead to a neglect of less privileged sections of society, but must be pursued while being drawn into the productive process and in their sharing the fruits of such development. We have to remain conscious of both the imperatives and the constraints of liberalization. There are risks as well as opportunities in the process. The success of those strategies

(Mr. Gujral, India)

requires a much more open and co-operative world economy, a vastly expanded flow of concessional resources, and the renewed confidence of the developing countries in the multilateral trading systems.

The vast and complex task facing us will become much easier if it is undertaken in an expanding and growing world economy through a concerted and coherent approach within a multilateral framework. The major challenge is to work out a package of measures that will ensure the return of the world economy to a higher growth trajectory. The management of the world economy needs to be more broad-based so as to reflect the interests of all countries and groups of countries, and to evolve policies that can be supported and implemented by all. The current economic and social problems and the needs of the future are such that no single nation or group of nations can solve them in isolation. They call for a joint effort based on mutuality of interest.

What is needed, first and foremost, is to reinstate the development objectives at the centre of international economic co-operation and to bring the focus back to the crucial issues of poverty and underdevelopment. Unfortunately, that perspective has for some time been overshadowed by preoccupations with short-term measures of adjustment. Issues of reform and adjustment can be seen in all their implications and tackled most effectively only if they are firmly put in the developmental context.

Accelerating development requires above all a substantial increase in the next transfer of concessional resources for revitalizing the development process in the developing countries and liberating them from the shackles of external debt. To that end, the resource base of international financial institutions requires considerable expansion. The events of the recent past, particularly the emergence of debt crises, have shown that commercial flows are no substitute for multilateral flows. What is needed is not only the management and eventual liquidation of the

(Mr. Gujral, India)

existing debt problems of developing countries; equally significant is the adoption of anticipatory measures, such as increased concessional financing designed to prevent the emergence of debt crises in countries that have so far avoided the debt trap.

With the beginning of the process of nuclear disarmament and vastly improved prospects for conventional disarmament in Europe, there is now a real opportunity for additional resources in significant quantities released from the military sector to be made available for developmental purposes. The size of the disarmament dividend can be tremendously enlarged and social and economic difficulties that may arise greatly minimized if the process of conversion is planned is advance.

We recognize that the internal demands of the major military spenders will inevitably be the first claimant of the peace dividend. Far from being concerned by it, we regard this situation as a welcome development, as it, too, would have a salutary effect on the world economy. At the same time, we should take advantage of the present favourable situation to make appropriate institutional arrangements within the United Nations for giving concrete shape to the idea of a link between disarmament and development, which has been accepted in principle by the international community.

Multilateral institutions designed to promote economic co-operation should be strengthened and made really effective. The present asymmetrical treatment of the developing countries in these institutions should be redressed. Whenever necessary, they should be updated and revamped, taking into account the current reality. It is essential to restore to the international monetary system its essential underpinning of exchange-rate stability and official liquidity.

(Mr. Gujral, India)

India has a vital stake in an open and liberal trading system within the framework of the General Agreement on Tariffs and Trade, and regards the current Uruguay Round of multilateral trade negotiations as of critical importance in this context. We are participating in these negotiations in good faith and in pursuit of the common objective of preserving and strengthening the multilateral trading system.

The declaration launching these negotiations clearly recognizes that the purpose of the Uruguay Round is not only to liberalize trade but also to keep in mind the developmental needs of the developing countries. It was also agreed that areas of concern to developing countries would be attached high priority in the process of the negotiations and that these countries would not be expected to make concessions that are inconsistent with their development needs.

There is also an incipient danger of the regionalization and vivisection of world trade. It is vitally important that regional trade groupings among developed countries emerging in different parts of the world do not acquire a discriminatory character and become "fortresses" to those falling outside the groupings. No attempt should be made to find solutions based on a freezing of the level and pattern of development in developing countries.

Through the best part of the 1980s, there was a retreat from that bilateralism and multilateralism. In that process, the role of the United Nations in undertaking negotiations on economic issues of vital concern to humankind was seriously undermined. Though, in the context of the new détente, the United Nations role in the political and security sector has been revived, major developed countries have shown no disposition to entrust to the United Nations its legitimate responsibility in the economic field. It is therefore essential to put development issues back on the agenda of the United Nations as a foremost priority. Let this special session mark a turning-point in this regard.

(Mr. Gujral, India)

The Indian delegation sees the special session as an opportunity to broaden international understanding and strengthen multilateral co-operation in the economic sphere in full awareness that peace itself will be endangered unless growing disparities are redressed within the context and spirit of our interdependence. Growth and development should be the centre-piece of this co-operation. Let us therefore resolve to break out of the present no-growth and low-growth syndrome and aim at qualitatively higher levels of growth for all the constituent parts of the world economy, which alone will enable a concerned attack on poverty and underdevelopment. Let us commit ourselves to take all measures needed to accomplish this task and make the United Nations and its system our instrument for achieving this goal. Let us make this special session the harbinger of renewed and reinforced co-operation for a brighter and shared destiny.

Mr. KHELIL (Tunisia) (interpretation from Arabic): It is a pleasure for me, on behalf of the Tunisian delegation, to congratulate Ambassador Garba on his election as President of this special session of the General Assembly. We are convinced that his great competence and experience will prove valuable for the success and effectiveness of the work of our session.

It is with immense pleasure for me, on behalf of Tunisia, to welcome among us today the delegation of independent Namibia, which has at long last joined the ranks of free nations. The accession of that fraternal country to independence has been welcomed by all peace- and justice-loving nations that have morally and materially supported the long and bitter struggle of the Namibian people to recover its legitimate rights amid a great deal of suffering and sacrifice.

Another struggle, equally important, awaits the people and leaders of Namibia for the construction of a modern, stable and prosperous State capable of making itself heard in the community of nations. Tunisia, which has actively supported the struggle of Namibia for independence, will spare no effort in providing all the assistance within its means to enable the sovereign State of Namibia to be victorious in its new struggle for development and progress.

The deterioration and imbalance of the world economy, the effects of which aggravate the vulnerability of developing countries, have reached a critical point and assumed an alarming magnitude. First and foremost this is reflected in the deterioration of the terms of trade, the instability of the international monetary system, mounting inflation and declining external financial flows, all aggravated by a foreign debt crisis which minimizes the possibilities for growth and development.

Undoubtedly, the combined effect of these phenomena is undermining the capacity for development and slowing the pace of growth in the developing world.

Hence the importance of this special session, which aims at meeting our urgent need to address these challenges which we often deal with in an atmosphere of such distrust that it has even led to confrontation between North and South.

This apparent lack of understanding on the part of the North for the concerns of the South sometimes suggests an attitude of indifference, which has added to the feeling of marginalization and frustration on the part of developing countries.

The statements of preceding speakers and the reports before us have described the situation at considerable length and highlighted the many problems that curb the growth and development of developing countries, in particular the inequitable trade system which characterizes international economic relations. Therefore, at this important session we should acquire a general awareness of the magnitude of the crisis and a determination to overcome it collectively.

Today we are witnessing radical changes in values and concepts, which have given rise to major developments, both political and economic. It is a source of satisfaction to us that the international community is progressing along the path

(Mr. Khelil, Tunisia)

of freedom and that peoples are determined to participate actively in deciding the course of the political and economic life of their countries.

We hope that profound changes in international relations, especially between the East and the West will lead to an effective exchange and more thorough co-operation among all countries, beyond any ideological differences.

While the present world economic situation places the developing countries at a disadvantage, it does not respond to the legitimate aspirations of all countries. Recent changes that we have seen in the international arena should prompt us therefore to prepare broad guidelines for a fair and concerted strategy aimed at promoting effective international co-operation. That strategy needs to be impartial but realistic, a determined one with enough flexibility to take into account the different interests at stake; it must go beyond generalizations and declarations of intent.

The developing countries, in their spirit of dialogue, are not proposing readymade solutions to all our problems. The intention is to discuss the difficulties, to identify them and to agree together on priority measures which can stimulate dialogue and promote international co-operation in the interests of all parties.

The confirmation of the structural nature of the international economic crisis means that indebtedness has now become one of the major problems requiring an effective awareness by the international community of the seriousness of the situation and the need to remedy it. We are deeply concerned at the persistence and aggravation of this crisis in spite of the initiatives and proposals that have been made - some even partly implemented - with a view to reducing the debt burden.

Important changes in financial flows have led to transformations in the structure of contributions made to the developing countries. These changes require comprehensive agreements for equitable, speedy and lasting solutions to the crisis,

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which particularly affects the middle-income countries at a crucial juncture in the implementation of their recovery plans and creates an impression that they are being penalized for their huge efforts and courageously borne sacrifices to overcome their underdevelopment.

Tunisia, which is classified among those countries, has contributed, within the groups and movements to which it belongs, to drawing the attention of the international community to the specific situation of these countries which, while continuing to honour their commitments, have thus far been left out of current initiatives to reduce their foreign debt.

Certain measures for debt alleviation, as experience has shown, can prove extremely costly in the long run and can cause uncertainty among national and foreign investors. Other formulas, for example those related to the Baker and Brady plans, have proved to be insufficient and are far from meeting the requirements of the current situation.

Those industrialized countries which seem more aware of their share of responsibility in contributing progressively to alleviating the debt problem must be supported and encouraged to extend the scope of application of their initiatives that have recently been taken towards that end.

(Mr. Khelil, Tunisia)

It is our feeling that, in the final analysis, solutions to the debt problem must be lasting, fair and agreed. Therefore, these solutions must be based on growth and development, through international co-operation. The objective of any strategy in this direction must be to ensure that the debtor developing countries reach a level of growth adequate to meet their social and economic needs and their development requirements, thereby making possible better debt servicing.

On those lines, we support the efforts of the Secretary-General, Mr. Perez de Cuellar, and his Special Representative, Mr. Craxi, who was with us in Tunis last month as we tried to find a fair and agreed solution to the external debt crisis.

The developing countries, some of which have again had to cease their payments, are nevertheless pursuing financial recovery programmes and have embarked on a process of structural adjustment - clearly a necessary undertaking, but one which is very difficult and fraught with sacrifices at the political and social levels and which is also precarious because it is dependent on an international environment and a whole range of factors that are often unrelated to the domestic situation.

Thus, their efforts could be completely wiped out if they continue to be confronted by protectionist measures, by increased interest rates, by instability in exchange rates, and by a drying up of resources to finance development. Given the seriousness of the situation and the magnitude of the poverty and want all over the world, the stabilization, recovery and other programmes could run out of steam because of a lack of equitable distribution among the international community of efforts to ensure structural adjustment, and by the lack of a global international strategy based on co-operation and agreement - a strategy that will lead to genuine solutions by dealing with the substance of the issues and the roots of the evil.

In such continuing circumstances, the developing countries have had to redouble their efforts to give greater scope to their co-operation - South-South co-operation, which, far from being a substitute for North-South co-operation, is basically an indispensable and essential component of the efforts to attain our countries' economic and social development.

This co-operation, it goes without saying, is seriously hampered by the unfavourable evolution of the international economic environment. The negative factors to which we have alluded have turned many developing countries, including Tunisia, into net providers of resources and have contributed to weakening their capacity to mobilize the human and financial resources required to encourage new investments, which are guarantors of an improvement in the profitability and competitiveness of their products and the progressive adaptation of their production structures to the requirements of the opening of markets.

The type of concertation for which we appeal in order to improve the economic environment is also required for preserving our natural environment, because of its impact on the life and well being of the human being, who is indeed the final aim of our development and growth efforts. It is now recognized that the present concept of development, which is based on limitless growth, leads to a squandering of resources and the deterioration of our natural environment. In this context, Tunisia, which has begun to prepare a national code for the preservation of the environment and has established a specialized body for that purpose, attaches special importance to the preparatory process for the Conference on Environment and Development, to be held in Brazil in 1992.

We are convinced that the protection of the environment, far from being a marginal undertaking, must be regarded as an essential part of all development efforts, requiring the support of the international community, while maintaining the development priorities of the developing countries and guaranteeing the principle of the proportionality of contributions and responsibilities, given the asymmetry of the world production and consumption structures. This asymmetry,

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whose scope we are working to reduce, is a reflection of the fact that we have not yet fully developed our scientific and technical capacities. Yet that is a pre-condition of economic and social development.

While we regret the increase, at the bilateral and multilateral levels, of protectionist policies as regards intellectual property, we hope that the negotiations in this respect, in the context of the Uruguay Round, will contribute to better understanding of the legitimate concerns of the developing countries, thereby backing up the work undertaken by the United Nations Conference on Trade and Development (UNCTAD) on this question.

I take this opportunity of expressing again Tunisia's commitment to the strengthening of the role of the United Nations as the central forum and the universal body where development issues should be at the forefront of the priorities. This does not mean that specialized agencies and bodies, given their specific spheres of work and their competence, should not make their contributions in the framework of a consistent development and growth effort at the world level.

At this particular time, regional co-operation requires all our attention and the mobilization of all our efforts. We are therefore working tirelessly to ensure that the Maghreb construction project will result in steady and certain progress towards integration which will ensure both economic development and political stability. Our countries, each with its own style and specific characteristics, have introduced the fundamental political and socio-economic reforms dictated by their determination to install the democratic process in their societies and to achieve their regional integration, inspired by a deep aspiration to build a modern, restructured economy that is open to the outside and capable of playing an active role in the world economy.

The Arab Maghreb Union is at an advanced stage of maturity and, therefore, all its member countries will surely be better prepared to engage in dialogue with that

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other major grouping which is our neighbour - that is, the European Economic Community (EEC), this partner of choice to which we are bound by geography, if not by history and geography. Therefore, we have clearly expressed our determination to strengthen co-operation between the Mediterranean countries of the EEC and those of the southern bank, with a view to the global development of the entire Mediterranean region, based on the concept of shared development that guarantees the entire region's collective and indivisible security.

In this respect, we have very specific proposals, not the least of which are those relating to regional development in particular and the struggle against unemployment, which causes the migratory flow both within our countries and towards countries outside our borders.

By way of conclusion, I must state that we have an excellent opportunity today to renew the dialogue between us, a healthy dialogue - a privileged framework for negotiations and consultations among all the countries Members of the Organization, in the quest for lasting and fair solutions to the problems we are all confronting.

The appropriate measures for recovery and adjustment within our countries, which are based on balanced growth and integrated development and for which we place our trust in the human being - making the human being both the architect and the final aim of all development efforts - must be backed by the appropriate international environment and renewed international co-operation representing the genuine interests of all the parties.

We must not allow selfish interests to blind us to our genuine and common interest: peace and well being in a world that is increasingly interdependent, in a spirit of concrete solidarity and effective partnership.

That is the meaning of the moral contract of co-operation, progress and peace called for in November last, from this very rostrum, by President Zine El Abidine Ben Ali, President of the Republic of Tunisia.

Mr. MOUSSA (Egypt) (interpretation from Arabic): We are meeting here today in a serious attempt to assess our performance and examine future prospects with regard to one of the most important of contemporary questions. With the dangers of total confrontation dying away, the problems of the economy and of development are taking on the greatest importance in our list of priorities, which is their rightful place.

When fear for man's survival subsides, concern for the quality of life and standard of living becomes the issue of interest. In addition to the importance of the subject under discussion, this session comes at a very appropriate time, a time in which the world is undergoing great transformations and changes and is at an historical turning point. At this juncture, the very precepts which have dominated political and economic relations since the end of the Second World War until the very recent past are undergoing change and giving way to global events that are restructuring the political and economic map of the world.

At the same time, a growing number of achievements - both quantitative and qualitative - in science and technology is affecting the various aspects of our life. Political and geographic frontiers are no longer an obstacle to human experience or to the various contributions which countries make to each other. Here, we are presented with a new kind of challenge, the degree of our capacity to confront it will doubtless influence us all regardless of our location or our stage of development. The challenge is that of preventing the emergence of a new form of international polarization, which is no less dangerous than what we had experienced earlier. I am referring here to the polarization between developed countries, which have gone beyond the technological revolution, and the majority of the inhabitants of Asia, Africa and Latin America, who are trying to catch up with the age, burdened as they are by the problems of foreign debt, underdevelopment and hunger, not to mention those who are fighting for their survival.

We believe that the current session offers another propitious occasion for the international community at a time when it is facing the risks incurred by the present radical developments. This is indeed a good time to reassess the international situation, since our objective here is to arrive at a political declaration adapted to the needs of our day and age, if we are to reach international consensus representing a solid basis for our economic relations on the threshold of a new century - indeed, of a new era.

Perhaps one of the most striking facts worthy of note at the present time is that the standard of living in developed countries is 50 times higher than that of the least developed. With the increase in the technological gap, the persistence of imbalances in present international economic relations could become the norm and easily lead to splitting mankind into two categories constantly driven away from each other. This situation is intolerable, not only on ethical grounds - although that would suffice - but also from the point of view of the common interests of the international community and mankind's shared future in a world where interdependence is becoming indispensable.

The logical starting point for forging a new international consensus concerning the principles of international economic co-operation, in particular a revitalization of the international economic growth and development of the developing countries, lies in a scientific and rigorous review of the decade of the 1980s, which has rightly been described as a lost decade for development.

A brief look at the situation in Africa would suffice as an example: per capita income is steadily declining, the population rate is growing, commodity prices are falling, resources are being negatively transferred and, last but not least, foreign debt is increasing.

(Mr. Moussa, Egypt)

Africa, despite its specific characteristics, is only an example of a situation that prevails, to various extents, in the developing regions of the world and stands in need of an objective and decisive remedy. In fact, when I indicate the gravity of the situation, I do not refer only to the economic aspects but also warn, in particular, of the social repercussions in most countries. Hence, the question: can we on the dawn of this new era, be in the process of formulating new international relations at a time when the plight of the overwhelming majority of mankind is going from bad to worse? This situation can never be the basis for sound political relations or for a secure internatinal order, unless it is built on the right foundations of taking into account the circumstances of all and the aspirations of developing societies, as well as the needs of the developed countries.

Another important factor is the successive and profound changes in Eastern and Central Europe, historical changes which will undoubtedly contribute to forging a new international order established on precepts and foundations far removed from the international political and economic relations which have prevailed to the present day. These changes do not simply imply the ending of political and ideological polarization between the East and the West but proclaim the end of economic systems of fundamental contradiction and the beginning of an era that could well be dominated by a sole economic model based on the tendency to adopt free-market policies and on a decline in the role of Governments in the management of production and distribution in certain countries.

Needless to say, the effects of such changes will go far beyond geographic borders to have an impact on the entire international sysem. Indeed, the integration of Eastern Europe into the world economy will lead to far-reaching developments: Eastern Europe - and this is a fact we cannot deny - will act as magnet for international monetary flows and foreign capital.

(Mr. Moussa, Egypt)

The challenge is to see to it that this new force in the international system will, in so far as possible, act in favour of the international community, benefiting both developed and developing countries. If this integration fails to stimulate co-operation and to promote growth and development, in particular in the developing countries, it will work to the detriment of those countries, thereby perpetuating their state of underdevelopment.

The third factor is the shift in the balance of economic power in the 1980s with the emergence of new forces and regional economic blocs, in particular the total integration of the European Economic Community in 1992 and the entry into force on 1 January 1989 of the free exchange agreement between Canada and the United States.

The fourth factor, but by no means the least important, is the heightened awareness and acknowledgement on the part of the international community that mankind, with its enthusiasm for industrialization and progress, has adopted means of production and consumption which damage the environment and could endanger the future of the entire world. To be sure, we have begun to take all of those factors into consideration and to work seriously towards arresting the deterioration of the environment and preserving it for future generations.

(Mr. Moussa, Egypt)

I have tried to review briefly certain facts which dominate this historical era, and in that light I should now like to present some broad guidelines that would allow international economic co-operation to meet those new realities.

I shall begin with Egypt's experience. As a developing country, Egypt suffers from typical third-world problems. We have laid down policies and measures with a view to adjusting to those factors, in particular the need to remedy the economic framework in order to meet our development needs and raise the living standard of our people.

Hence, Egypt's development programme aims at carrying out comprehensive reform measures and rests upon two key considerations. First, development remains our prime responsibility, in accordance with our priorities and objectives. Secondly, it is the individual who is the ultimate beneficiary of development; therefore we have worked to create an atmosphere favourable to liberating our productive forces and development capacities. Thus, our first objective has been to establish a system of peace and security to ensure the safety of individual property and investment. We have also pursued monetary and financial policies allowing us to control inflation and promote the maximal mobilization of savings, particularly in foreign currency. Moreover, we are gradually adopting a single rate of exchange to liberalize trade and promote exports.

As for public spending, we are seeking to remedy the deficit in the balance of payments so that inflation can be brought under control and foreign currency generated. Indeed, Egypt has devised an ambitious plan designed to strengthen the role of market forces in the private sector, to rationalize the public sector and to privatize some of its assets, which could then come into play for the good of society.

(Mr. Moussa, Egypt)

With regard to the environment, Egypt is manifesting a growing interest through its scientific agencies for the preservation of the environment, by taking measures at the national level and, co-operating, both regionally and internationally, towards the same end.

Aware as it is of the importance of co-operation, Egypt also believes in the role of regional and subregional economic integration with neighbouring countries as a catalyst for development. In addition to the joint economic activities of the Arab League and the Organization of African Unity, the Arab Council for Co-operation has laid down a comprehensive and ambitious plan for the total economic integration of its member countries in accordance with pragmatic principles of comparative advantage in trade and economic co-operation, mainly through joint projects, finance corporations and investment and export guarantees. In the same context, Egypt attaches great importance to co-operation between the countries of the Mediterranean region, North and South, as it is not only a product of historical, cultural and economic necessity but one that rests upon common interests and touches on determining the future of the peoples of the entire region.

In addition to the new Mediterranean policy being formulated by the Committee of the European Community to take into account the vital importance of the region south of the Mediterranean, in terms of preservation of the environment, the campaign against drugs, and the transfer of technology, Egypt has proposed the establishment of a Mediterranean financial and monetary institution for investment and development, which would also be open to countries outside the region. Its tasks and activities should focus on priorities such as food self-sufficiency, the environment, the promotion of investment, trade and development, as well as economic integration in various fields.

(Mr. Moussa, Egypt)

Egypt hopes that the European Community will take a political decision this year for the establishment of such an institution so that preparations can be initiated for its realization. These are some of the features of Egypt's economic policy. It is a confirmation of our broad outlook for international economic co-operation in its future phase. The success of any economic plan is subject to the total particpation of the population in the given development process, as an integral part of democracy and of respect for human rights. Man is not just a means for development - he is its objective and ultimate goal.

We must be aware of the fact that, in the case of some developing countries, those policies represent change; and change entails suffering, largely social, which is often borne by the poorest segments of society. The Governments of developing countries therefore are under a moral, political and national obligation in the course of economic reformation to protect their poor, lest that transformation be effected at their expense. It should take place gradually and allow society to adapt to it without jolting its stability or hindering it from meeting its fundamental needs.

Whatever our efforts or magnitude of our sacrifices, the capacity of developing countries to face external shocks remains limited. Given the continued lack of an international framework for the revitalization of development, it will be difficult - if not impossible - for developing countries to extricate themselves from their present crisis.

The role of national policies is self-evident. However, the international economic climate - and I refer specifically to that of the major Powers, economic groupings and financial institutions - has a crucial role to play. For our enterprise to be successful, the developed countries should assume a responsibility commensurate with their economic weight in order to alleviate the suffering of change.

Hence the importance of ensuring additional financial resources on concessional terms, of pursuing policies to encurage the flow of private capital from transnational corporations of investment in developing countries and of buttressing their efforts to mobilize their own resources.

Similarly, we cannot underestimate the gravity of the debt problem - it being the most serious challenge to development and a major factor in exhausting resources. Any progress in alleviating the external debt burden of developing countries will depend on agreement on practical measures to reduce debt and debt servicing in proportion to the capacity of developing countries to honour their financial commitments while ensuring their own development.

The Brady plan, for example, is limited to diminishing the debt of middle-income countries with commercial debts, while the Toronto option only affects the least developed countries, particularly in the sub-Saharan region. But there is a third category which is a forgotten one: the middle-income countries burdened with mostly official debts. It is this category - in which Egypt finds itself - that has not seen any reduction in its debt.

Although States belonging to this category have been reclassified by the World Bank according to the volume of their debt and set aside as a group that has failed to win international concern, they have not yet benefited from help from the international community, in particular from the creditor countries and international financial institutions. This category has an urgent need for arrangements to reduce its debt and alleviate its burden.

Therefore, we are proposing an expansion of the definition of the countries that benefit from the Toronto option to cover middle-income countries that suffer from an enormous debt burden. Those countries will be able to choose from one of the three options contained in the Toronto consensus as they have their debts rescheduled within the context of the Paris Club.

We have presented that proposal to Mr. Bettino Craxi, the Secretary-General's representative on questions of debt, and we hope that the creditor countries will give their immediate and appropriate interest to that proposal and take the necessary political decisions to implement it.

On the other hand, the commitment of the major industrialized countries to open their markets to the exports of developing countries, and the abolition of all forms of protectionism are a prerequisite for success of our plans to liberalize trade, expand exports and restore our credit-worthiness. The international community is called upon to undertake the necessary measures to ensure the stability of commodity prices at a remunerative level so that commodity-dependent countries, in particular the African ones, can generate adequate earnings from exports to pursue their development.

In addition, acceleration by the developed countries of their own efforts to correct the structural imbalance in the international economy is crucial to the success of that enterprise.

At this session, we urge that a new page in the history of international economic relations be opened through a new consensus enshrined in a political declaration with clear and specific objectives likely to strengthen international economic co-operation and, in particular, to reactivate the economic growth and development of developing countries and to develop national and international policies for the achievement of our objectives. Such a declaration would constitute a general context in which, in various international forums for economic co-operation, we could continue our work together.

I do not believe that an appeal for the establishment of politically democratic régimes is sufficient in itself to protect the social fabric of countries from disintegration, or that we can claim respect for human rights witout ensuring a life of prosperity and dignity for all. We must not slacken our

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efforts or wait for crises and catastrophes before we move. Our starting point should be an objective appraisal of the reality of mankind's interdependence and common destiny, as well as shared interests and responsibilities. We cannot ensure the success of political détente between East and West in the absence of economic détente between North and South.

In conclusion, I should like to mention that mankind by reducing its expenditure on armament can channel the financial resources thus released into increased expenditure for development. That will affect the whole of the international community, given that everyone shall make a contribution according to his means, enhance co-operation and, in the final analysis, accelerate the growth and development of developing countries.

For its part, Egypt has requested that the Middle East be made a region free from all weapons of destruction, under effective supervision. Genuine implementation of that proposal would release the resources sufficient to ensure development and raise the living standards of the region's peoples. The opportunity must be seized, and I am convinced that we can succeed in so doing.

We would be turning a new page in international relations, and in that process the Organization, given its ability to assimilate the experience of past decades, would play a leading role in achieving and strengthening those objectives.

Mr. VELAYATI (Islamic Republic of Iran) (spoke in Farsi; English text furnished by the delegation): At the outset I wish to congratulate the President on his election to guide the eighteenth special session of the General Assembly, devoted to international economic co-operation, in particular the revitalization of economic growth and development of the developing countries. I wish him and his colleagues every success in fulfilling their crucial responsibilities. Moreover, my delegation is pleased to see the admission of the Republic of Namibia as the 160th Member of the United Nations.

The objective of the initiators of the special session has been to make it an opportunity to realize a turning-point in the economic crisis faced by the developing countries during the 1980s and to change the international economic system to one more balanced, just and conducive, one from which both developed and developing countries countries can benefit.

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Therefore, this chance should be seized as a first step towards a common political will and commitment by both developed and developing nations to fulfil their responsibilities to the betterment of mankind and its prosperity through promotion of international economic co-operation and the revitalization of growth and development in the developing countries.

The economies of the developing countries in the 1980s experienced a bitter situation. Since 1980 the international economic condition has not only shown no remarkable change beneficial to the developing countries; it has hindered their endeavours to reach a reasonable growth rate and development. At the same time the developed countries have been able to maintain their economic growth and achieve some progress in controlling inflation. Consequently, the gap between developing and developed countries has been widening, and the role of the former in the world economy has become increasingly marginal and their participation in international trade and finance has severely decreased.

Considering the important role of commodities and raw materials as the exclusive source of income that furnishes the possibility of development in most developing countries, the reduction in commodity and raw-material prices, especially oil, since 1982 vis-à-vis industrial products has worsened the terms of trade and impeded the development process of developing countries.

In spite of the efforts hitherto exerted, the recent development of the problem of indebtedness, in particular, seems to persist and brakes the growth and development of the debtor developing countries. Not only has the ratio of foreign debt repayment to those countries' gross national product and export-earnings experienced a dramatic increase in recent years, the flow of financial resources to developing countries has also, to a large extent, seen a set-back. Those facts, combined with high interest rates, lack of investment, a deterioration in terms of

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trade, protectionism and inadequate reduction of the debt burden of those countries, overshadow the glimmer of hope for a solution to the problem and the restoration of growth and development.

Thus, the past decade was a decade of deep economic slow-down, decline in per capita income, negative growth rate and reverse transfer of financial resources from the developing nations. That trend has also contributed to the deterioration of living, educational and health standards in those countries.

Increasing protectionism in developed countries deprives the developing world of access to the market and export of their products, thus shrinking their share in world trade. Protectionism should be rolled back so as to give the developing countries some room to promote their share in world trade based on their comparative advantages. For that reason there can be no doubt that these problems will continue to persist unless serious measures are taken to correct the trend and an equitable policy adopted for terms of trade.

There is a common perception among Members of the United Nations that the human being is both the engine and the goal of development but, unfortunately for most of the people on the Earth, that is not the case. In spite of the crucial role of human-resources development in the socio-economic development process and in bridging the technological gap that exists between poor and rich nations, the 1980s will undoubtedly be recalled as the decade in which the development of human resources was neglected. The reason behind that neglect can be traced to the economic crisis in the third world. The Islamic Republic of Iran believes that the international financial institutions, as well as the developed countries, should lend their financial and technical support to those efforts. In that context General Assembly resolution 44/213 on developing human resources for development, which was adopted by consensus, is a good basis for international co-operation.

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Protection of the environment is of significant value to the international community. The active participation in the preparatory process and in particular in the organizational session of the 1992 international Conference on Environment and Development demonstrates the readiness of the international community to take collective action aimed at protecting and improving the environment. In this context, the revitalization of growth and development in developing countries as well as the transfer of technology and financial assistance through regional economic commissions will secure the conditions to facilitate their active participation in the protection and improvement of the global environment. The 1992 international Conference on Environment and Development will be an appropriate forum to deliberate on the nuances of the ways and means of promoting international co-operation in this field.

At the threshold of the twenty-first century, and pursuant to the recent developments in Europe - and particularly, the relaxation of tensions in Eastern Europe - genuine disarmament, the end of the cold war and a climate conducive to constructive co-operation on the international scene are possible. As a result, the large financial resources which were going into the accumulation and stockpiling of various weapons can and should be allocated to the growth and development of the developing countries. Therefore, a United Nations disarmament-for-development fund, to support the development process of the developing countries, should be established.

I also deem it appropriate to touch briefly upon economic policies of the Islamic Republic of Iran.

The first five-year national development plan, drawn up after the victory of the glorious Islamic Revolution, was ratified by our Parliament this year. This plan is being implemented at a time when the Islamic Republic of Iran, with the

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acceptance in 1988 of United Nations Security Council resolution 598 (1987), has repeatedly declared its full readiness for the implementation of the resolution. Our eagerness for the country's far-reaching and comprehensive reconstruction emanates from the peaceful intention of the Islamic Republic of Iran to bring about and strengthen peace, stability and security in our region.

In the five-year national development plan great importance is attached to co-operation with the third-world countries. In this regard, it is worth recalling that in the last 10 years our trade volume with these countries has had a seven-fold increase. The economic, technical and health assistance by the Islamic Republic of Iran, particularly to the African countries, has considerably expanded. The fact that it is lending its constant support to the needy countries reflects the commitment of the Islamic Republic of Iran to the well-being of these nations.

In order to attain the goals of this special session, the Islamic Republic of Iran is of the view that:

First, the international economic system has always suffered from the lack of a just system to supervise and formulate international economic policies. To change the tendencies that prevail in the 1980s, there must be effective macro-economic policy co-ordination, including fiscal discipline among all States, and in particular those whose economies have the larger impact on the world economy. As a consequence, this could contribute to a decrease in international interest rates and to stability of financial markets and raw-material prices - crucial factors in supporting the development policies of the developing countries.

Secondly, to provide conditions conducive to the finding of a realistic, practical and acceptable approach to the solution of the third-world countries' economic problems and to promote a spirit of co-operation and justice in the

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utilization of reciprocal economic possibilities, the most important factor is a consensus on the need for international co-operation for finding solutions to the problems of economic development and growth.

Thirdly, South-South co-operation should continue, by encouraging a belief in self-reliance among these countries. This is the very essence of the idea of collective self-reliance. Most of these countries have substantial potentials and possibilities, including rich natural resources. The time has come to initiate a joint effort to meet each other's needs in such areas as raw material, energy, agriculture and exchange of technical information.

Fourthly, the North-South negotiation should be continued in a serious climate based on a positive and constructive resolve. This will not be possible without recognition of the principle that the developing countries are a coherent group with effective potential economic capabilities in regard to the present and the future of the world economy. In these negotiations the principle of equality of rights and the right to receive a fair and logical share from the actual possibilities must be taken into account.

Fifthly, while, as a result of the political and social changes in Eastern Europe the countries of that region are turning to advanced Western countries for their development and reconstruction requirements, the North should act in such a manner as not to allow their eagerness to accelerate reforms in Eastern Europe to overshadow their obligation to meet the needs of the developing countries, and thereby further slow down the sluggish pace of development in those countries.

Finally, I hope that the positive achievements of this session ameliorate the chronic economic problems facing the developing countries.

Mr. SY (Senegal) (interpretation from French): My country welcomes with joy and pride the admission of the Republic of Namibia to the United Nations. This constitutes a triumph of the noble ideals of our Charter and gives our special session historic meaning and scope. The Head of State, His Excellency Mr. Abdou Diouf, and the Government of people of Senegal express again, through me, to His Excellency President Sam Nujoma and the courageous brotherly people of Namibia our warm congratulations and our continued solidarity.

The delegation of Senegal is gratified to express again to the President of the General Assembly its congratulations and its satisfaction at seeing him presiding over the eighteenth special session of the General Assembly. The qualities he has demonstrated in leading the work of the forty-fourth session and the two preceding special sessions are a clear earnest of the success of this special session. As is our custom, we take the opportunity of assuring him of my delegation's full co-operation.

I wish also to express again our continuing support of Mr. Javier Perez de Cuellar, Secretary-General of the United Nations, because of his dedication to the cause of our Organization.

Allow me also to pay a tribute to the members of the Preparatory Committee for the outstanding work they have done under the leadership of Ambassador Constatine Zepos.*

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* Mr. Lohia (Papua New Guinea), Vice-President, took the Chair.

This morning, Mr. Enrique Garcia, Minister of Planning and Co-ordination of Bolivia, made an important statement reflecting the position of the Group of 77. My delegation hopes to contribute to strengthening that position by sharing several views with members.

In the context of world economic growth which has been more or less sustained for seven years now, some of the developing countries, it is true, have demonstrated rates of growth higher than those of developed market economy countries. Nevertheless, as the Secretary-General pointed out in March 1990, the great majority of countries of the South have experienced stagnation and, in many cases, recession. The primary reason is that the commendable efforts at recovery they have undertaken on the national level within the framework of structural adjustment programmes continue to be thwarted by an unfavourable international environment. In fact, it has been established that the economies of the developing countries have been, particularly throughout the 1980s, seriously rocked by the combined effects of external factors, including major variations in international prices, the erosion of the fundamental principles of the General Agreement on Tariffs and Trade (GATT) and the parallel rise of protectionism, the disturbances caused by currency fluctuations and the erratic flows of capital, high interest rates and the burden of debt and its servicing. The development crisis which resulted has been reflected, in particular, by a certain falling behind of the developing countries as compared to their developed partners. In this respect, the situation of the African continent is of ever-greater concern.

(Mr. Sy, Senegal)

In that context, the imperative need for the revitalization of economic growth and development of the developing countries requires that their efforts at restructuring, internal improvement and subregional and regional integration be answered by a substantive net contribution of capital together with an adequate transfer of technology and the consequent full use of human resources within the framework of an in-depth readjustment of the current mechanisms of the world economy.

The industrialized countries, which alone are responsible for most production and world trade and which own or control most financial and technological resources, must, as far as possible - and certainly their potential is not boundless, though it remains quite significant - provide the additional external resources that are needed by the developing countries. I have said "additional resources" since the developing countries are fully aware of the fact that their development, if it is to be lasting, must be first and foremost based on their own human and material resources.

However, certain prerequisites must be met, of which two seem to me to be essential. First, there is the reconsideration of the spirit and letter of structual adjustment policies as applied today. Indeed, there is an imperative need to forge new policies of adjustment with "a human face", taking into account the social and political constraints of the countries concerned and aimed at growth and raising the living standard of their populations. My delegation believes that the African framework of reference for structural adjustment programmes for socio-economic renewal and transformation (CARPAS) contains useful suggestions in this regard which our Assembly could usefully consider. This means, inter alia, engaging in a better distribution of the gains of economic restructuring between the creditor countries of the North and the debtor countries of the South, to allow the latter to allot part of their domestic savings to financing their development.

(Mr. Sy, Senegal)

The second prerequisite involves resolving, in a global framework, the interlinked problems of debt, currency and finance, as well as international trade.

My country fully appreciates the unilateral measures that have been taken to alleviate debt, as well as certain initiatives within the framework of the Paris and London Clubs, the Toronto Summit and the Baker and Brady Plans. However, the solution to the critical debt problem requires more comprehensive measures.

At the same time, the effective and improved implementation of machinery, such as the Common Fund for Commodities of the United Nations Conference on Trade and Development (UNCTAD), the Stabilization System for Export Earnings of the Lomé Convention (ACP-CEE) (STABEX) and the Facility for the Compensatory Financing of the Unforeseen of the International Monetary Fund, would make a significant contribution to the lasting stabilization of commodity prices. Of limited scope and endowed with financial resources well below the needs for commodities as a whole, that machinery could be supplemented by other formulas such as compensation based no longer on the global volume of export earnings but rather on levels of prices set in accordance with a balanced price defined in a way designed to reconcile the needs for servicing and financing the foreign debt with the imperative needs of growth. These proposals are made without prejudice to the conclusions of the United Nations Special Group of High-Level Experts entrusted with the study of problems with regard to commodities, under the chairmanship of His Excellency Mr. Malcolm Frazer, former Prime Minster of Australia.

The readjustment of commodity prices raises the more general problem of liberalization of international trade, which has been characterized by a pervading

(Mr. Sy, Senegal)

protectionism, in particular in the markets of the industrialized countries, and which seriously threatens the industrialization efforts of the countries of the South. That is why my country places high hopes on the next session of the Generalized System of Preferences and the eighth session of the United Nations Conference on Trade and Development in 1991.

The numerous external factors hampering the growth and development of the countries of the South require a shared will on the part of the North and the South to find global and lasting solutions acceptable to all parties. Thus the developing countries, the primary victims of the present situation, should continue, while working for the realization of this ever more converging will, themselves to develop a viable area of production and trade by structuring their progressive integration. Once again to illustrate its commitment to this policy my Government has just established a ministerial department entrusted exclusively with inter-African integration, open to groups beyond the African continent. This means that South-South co-operation is, for Senegal, more than an article of faith; it is a political priority. It is fortunate that this need was taken into account by the Group of 15, whose Heads of State or Government will meet in a few weeks in Kuala Lumpur, Malaysia.

That Group has already made significant progress in identifying ways and means likely to relaunch South-South co-operation by basing it, on the one hand, on rationalization and harmonization of different experiences and proposals concerning economic integration and, on the other hand, on the solution to the major challenges, including problems linked to the environment and natural disasters. Here I should like to emphasize, in the context of the United Nations Conference on

(Mr. Sy, Senegal)

the Environment and Development planned for Brazil in 1992, the great importance my country attaches to the relationship between the environment and development.

The preparatory phase of our work has clearly highlighted the need for the General Assembly to place this eighteenth special session in the context of the Fourth United Nations Decade for Development. Senegal has particular interest in the qualitative aspects of development and, in particular, in the adoption of a shared definition of the idea of harnessing human rescurces. The comprehensive and extremely useful report submitted by the Secretary-General provides valuable information on this topic. Hence we should work to accelerate implementation of the decisions of our Assembly on consumption and qualitative indicators of development. In so doing, in the view of my delegation, there is a so-called informal sector which has not yet been properly taken into account in our analyses and planning concerning growth and development. Justly described as an "invisible revolution", particularly in the developing countries, it is an alternative for a considerable sector of the ever-growing urban population confronted with the alarming problem of employment. In Senegal, for example, a study published in November 1988, as well as numerous analyses carried out on the subject, have shown that this sector is continuing to develop in terms of technical capital and the numbers of personnel involved. It has, above all, the advantage of making consumer goods available to urban populations at a cost less than that of the modern sector.

In considering the level of income distributed thanks to this sector, which employs approximately 50 per cent of the active urban population, we can easily see the economic, social and political gains likely to flow from an effective use of this enormous energy and creative initiative. I am referring here to the great role which private initiative can play in the development of the economies of the South.

This year, 24 October, United Nations Day, will be dedicated to marking the fortieth anniversary of multilateral technical co-operation. At a time when great hopes have been placed in economic liberalization, I should like on behalf of Senegal to urge all delegations here to work to make that a time for strengthening international co-operation. I should like above all to urge them to engage in in-depth reflection on the ways and means to conclude a pact on triangular East-West-South co-operation, which would greatly contribute to relaunching the North-South dialogue.

In this connection I should like to emphasize, and I am gratified to do so, certain proposals already made, among which are, first, that made in September 1989 by the Belgian Minister for Foreign Affairs, advocating the establishment of triangular development plans to be carried out by an industrialized country from the Western world in partnership with a country from the East in one country of the South; then that made last March by the French Minister for Co-operation, suggesting that "we build a mechanism through which the countries of Eastern Europe would reimburse the South the sums the Western countries would lend them and facilitate State purchases of tropical products which are overly abundant on the world market but too rare in the markets of the Eastern countries"; and, finally, that of the ENDA-Third World, a non-governmental organization established in Senegal, which proposes real form to the need for the East to be in solidarity with the West for the development of the South.

(Mr. Sy, Senegal)

In order to lay down the basis specifically for new co-operation based on that openness we are seeing in the East and, finally, to eliminate the risk of exclusion of certain of our States from triangular development, I should like to call for a broad exchange of views on the proposals I have just mentioned, and on many others as well.

In the view of my delegation, the differences in concept, divergence of views on priorities and conflicts of interests that still exist between the industrialized countries of the North and the developing countries of the South can be overcome because they can be reconciled.

We should add that interdependence and the "globalization" of economic and development questions have made it necessary to seek appropriate machinery to manage the world economy in a spirit of partnership and solidarity.

Political détente which throughout the world is being reflected in the liberation of the creative spirit of man can and must be used positively to build that economic détente that is indispensable for the establishment of renewed international co-operation.

Mr. GEENS (Belgium) (interpretation from French): On behalf of Belgium, I wish to congratulate Mr. Garba on his election to the presidency of the General Assembly at this eighteenth special session. I have no doubt that under his leadership this session will take place in a constructive atmosphere to the great benefit of the developing countries.

May I turn to the Prime Minister of Namibia and wish him a warm welcome in our midst. I am delighted that, after its long and painful struggle, Namibia has at last attained its independence.

I also take this opportunity to associate myself with the comments made by the representative of Ireland as current President of the European Community.

(Mr. Geens, Belgium)

A look back on 30 years of co-operation for development does not provide a very encouraging picture.

The growth rate targets for the developing countries, as established in the International Development Strategy for the Third United Nations Development Decade, have not been met. The well-known objective of 0.7 per cent of gross national product, which the industrialized countries were to allocate towards assistance to the developing countries, has not even been met half-way.

This eighteenth special session of the General Assembly is taking place in a context of fundamental change. Recent political upheavals prompt us to hope that the new development strategy will be implemented in a different political context - in other words, one free of any ideological confrontation. International co-operation can more readily flow from a less State-oriented economic thinking to one that is more market oriented which forms a more solid basis for lasting growth and development.

In this context I wish to make a few comments about the implications of East-West relations on the development of the South. In less than a year, events in Eastern Europe have taken a turn which cannot fail to please us because they reflect a desirable will for change and a return to a concept of democracy and freedom which we cherish.

I have two comments to make in connection with these events.

First of all, this evolution should have a healthy impact at the global level as well because it will now be increasingly difficult for any Government to sidestep the opinion of its population favouring a better distribution of a nation's wealth. It would be impossible to stifle the desire of the population to participate in the life and destiny of a country.

It is not only in the countries of Eastern Europe that too much stress has been placed on authoritarian action of public authority and on economic development directed by the State.

Have we not in countless third-world countries witnessed a real concentration of competence towards Government administration, which then becomes an end in itself and constitutes an excessive budgetary burden? Have we not in many of these countries seen the greater part of time and money allocated to political administration and management, which is sometimes overly self-interested to the detriment of the country and its population?

Of course it is true that we must constantly seek to improve public administration, which is indispensable, but at the same time we should recognize and strengthen human incentive, which can give constant impetus to the development efforts of millions of families which want to improve their lot.

Secondly, I should like strongly to support what was stated by the presidency of the European Community regarding the determination of the Community and its member States not to reduce, to the benefit of the Eastern European countries, the attention that must rightfully be given to the third-world countries and the support they need to achieve their development.

It is true that the serious economic and political problems of the countries of Eastern Europe cannot leave us indifferent or passive, and they will require a serious effort at assistance on our part.

But this aid cannot replace the financial and technical support that we want to maintain towards the efforts of the developing countries to emerge from their critical situation through policies that are increasingly based on integral development and on the free participation of the population.

(Mr. Geens, Belgium)

The recent conclusion of the fourth Lomé Convention has proven that, in spite of the emergence of this new situation in Europe, the Community of the Twelve remains totally committed to the framework of special relations that have existed for more than 15 years now as a result of that instrument of co-operation of the African, Caribbean and Pacific countries and the European Economic Community.

It is clear to me that East-West détente offers excellent prospects for finding a solution to many development problems. Economic experts have become aware of the enormous possibilities in human and natural potential that could be released through the use of resources now devoted to armaments. In our view it would a historic error not to avail ourselves of this unique opportunity. It would be more serious yet to consider the development of the East as competing with the development of the South.

During the 1980s the experiences of the developing countries were relatively diversified. While some of those countries acheived unprecedented growth, others found themselves in crisis. In particular the question of debt, to which Belgium attaches special importance, constitutes a major hindrance to development. In 1987, at the seventh session of the United Nations Conference on Trade and Development, my country proposed that the developing countries be allowed to reimburse their debt and debt servicing in local currency; resources allocated to a development fund managed jointly by donor and recipient could be mobilized to finance productive activities of high social usefulness.

For some countries of Sub-Saharan Africa that have a particularly high debt and meet the criteria of the World Bank, we undertook a complete rescheduling of contracted debt in the form of State-to-State loans. Furthermore Belgium, while having subscribed to the Toronto proposals, has never felt they would be completely sufficient to meet the problems caused by the excessive debt-servicing burden. Therefore Belgium, in the quest for a formula more conducive to renewed growth of the economy, has gone further than those proposals made at the global level. In 1989 the Belgian Government undertook for its main partner the cancellation of one third of commercial debt. At the same time, the remaining two thirds of the debt was rescheduled in accordance with Toronto Option B. The interest due under this rescheduling was subjected to alleviation measures authorizing the payment of interest in local currency through a bilateral development fund.

Such a fund, which will contain only local currency, will automatically be limited to investment objectives that make maximum use of local human and material resources. It is therefore to be hoped that this will have a beneficial influence on the accumulation of local capital.

Since the investment policies of the past have to a great extent led to an accumulation of debt, it is our view that the world community must establish an international code for debt financing. Special attention should be given to the profitability of investments undertaken and to the capacity of borrowers to mobilize part of the additional revenues obtained to provide repayment possibilities and a return of invested capital.

Belgium has participated in structural adjustment policies established by the World Bank and financially supported by the Special Programme for the Most Indebted Countries of Sub-Saharan Africa. The Belgian contribution is specially allocated to programmes for the African countries with which Belgium has the closest bilateral relations. Experience has shown that, given the social aspects of adjustment policies, transformations required to meet the objectives of the Bretton Woods institutions require longstanding efforts. For that purpose, is it not necessary to take a second look at the short-term approach of structural adjustment programmes?

It is clear that the human factor is of primary importance in the development process. Every individual should have access to adequate health care,

(Mr. Geens, Belgium)

education and an acceptable standard of living. In this respect it is important that the entire population, in particular its poorest sectors, be completely integrated in society.

To achieve lasting development it will be necessary to meet the demographic challenge. The primary role of women in development should be recognized in programmes. In order not to jeopardize the future, we must see to it that we do not over exploit the natural environment. An environmental management policy should therefore have a central role in development programmes. The relationship between poverty, health, education, population problems and the environment has become all the more important.

Experience has also shown that respect for human rights and the democratic organization of political and economic systems are the best assurances we shall be able to tap the full potential of society.

In connection with international trade, Belgium, whose economy is one of the most open in the world, will soon have the opportunity to demonstrate its commitment to the proper functioning of the multilateral trade system. In fact, upon the joint invitation of the Commission of European Communities and the Belgian Government, the closing conference of the Uruguay Round will be held in Brussels. The Uruguay Round represents a unique opportunity to establish and further develop the multilateral rules we need for a mutually profitable expansion of international trade. For that purpose, mutual concessions are essential on the part of the industrialized countries and the developing countries, bearing in mind that some of the latter are more able than others to make a contribution to this shared endeavour.

For the developing countries, which depend the most on commodities, it is essential to establish multilateral mechanisms that make it possible to control erratic fluctuations in the prices of those commodities. The mistakes made in

(Mr. Geens, Belgium)

the past in an attempt to stabilize the prices of raw materials must not be repeated. Producer and consumer countries must work together to define new ways and means of achieving the initial objective, which remains the same: stable commodity prices. Greater co-ordination of national production policies and more interlinkage in mechanisms for international co-operation seem appropriate ways of improving the commodity situation.

It is to be hoped that the forthcoming meeting of the Executive Board of the Common Fund for Commodities, at the beginning of next May, will provide the operational beginning of that institution. Belgium has already announced a voluntary contribution of 100 million Belgian francs for the second stage of the Common Fund. I sincerely hope that as a result of this new fund new prospects will be available to the most needy countries.

As we approach the Second United Nations Conference on the Least Developed Countries, to be held in Paris in September, I wish to stress the special importance Belgium attaches to those countries in its co-operation policy. We are acutely aware of the responsibility to provide official development assistance to them for a period that may in fact be very long. At the Geneva meeting of the Preparatory Intergovernmental Group for the Paris Conference, Belgium reconfirmed its support for the quantitative target of .15 per cent of gross national product.

While we must draw lessons from the 1980s, it is obvious that there is no general, global solution that can lead to automatic, rapid economic development of the developing countries. However, it is clear that it is primarily the developing countries themselves that must carry out their own development. If Governments, aware of their essential responsibility to establish a climate favourable to development, do not establish a sound and effective economic policy, international aid cannot bear fruit.

For their part, the industrialized countries have the responsibility for establishing an international framework to promote lasting and non-inflationary growth. They must try to eliminate disequilibria in balances of payments and instablity in exchange rates and reduce real interest rates. Inflation must also be controlled. Such measures should contribute to greater access to capital for the developing countries.

The renewal of economic growth and the development of the developing countries requires that we thoroughly examine the lessons of the past and the proposals being put forward today and benefit from them. I therefore hope that this special session will be a starting-point for the development agenda of the 1990s.

Mr. CAVALLO (Argentina) (interpretation from Spanish): I wish first to contratulate the President on his election to lead this eighteenth special session of the General Assembly, which has begun today with the admission of Namibia to the United Nations, a result of the joint efforts of a people, the international community and the Organization.

The importance of this special session lies not only in its goal, which is to help reactivate the economic growth and development of the developing countries, especially within a broader context of economic co-operation in general, but also in its historical context.

(Mr. Cavallo, Argentina)

We are living in an age of deep transformations, evident at all levels. In the political field the present trend towards détente as a major characteristic of the relationship between the great Powers is becoming stronger, and regional conflicts are evolving positively. The improvement of the international political climate must be consolidated and extended to all the regions of the world, and it must include an adequate response to development problems.

The United Nations is the essential forum for dealing with development issues. All its efforts to solve the problems that afflict mankind are in accordance with the mandate conferred by its Charter and therefore contribute to achieving international peace and security. But peace and security can be consolidated only through development.

Another general issue that we should like to put forward in this high-level forum is the following: what is the most important macroeconomic problem that we confront today, a problem whose solution must be sought through an integrated approach? An analysis of the question will undoubtedly cover the main issues we shall have to face throughout the 1990s. It should also be based on a diagnosis of the world economic situation that enables the unsolved problems of the 1980s to be integrated with the new issues in the international arena.

I am referring specifically to the need to use a joint, interrelated approach to the problems of foreign debt, international trade, technological development and human resources, together with other matters that today receive preferential treatment and also affect the economic growth and development of the developing countries, such as the environment and population growth. They are interrelated in that they are all bottlenecks impeding the economic growth and development of the developing world.

(Mr. Cavallo, Argentina)

Dealing specifically with the points established by decision 44/444, from our point of view, we can affirm that during the 1980s there were great change on the international economy. Analysing it from a macroeconomic perspective, which is basically the objective of this special session, we see that the main parameters have been: the growth of real interest rates in relation to those of the 1970s; the volume of debt in the financial system, which helped accelerate the inflationary processes in the developing countries, bringing about a still unresolved instability in exchange rates; a progressive worsening of the relative price of commodities and changes in the composition of international trade, in which products for which natural resources are intensively used lost their relative importance; and an increase in trade restrictions and policies of subsidizing exports, which limited the participation of an important group of developing countries in international trade.

These issues have affected two major areas in which there is still no solution: foreign debt and international trade. The two regions most seriously affected were Africa and Latin America and the Caribbean. This is particularly serious for our region, where democracy as a political system must still be strengthened through economic consolidation.

The negative net transfer of resources from developing to developed countries - $200 billion between 1982 and 1989 - has restricted, and will continue to restrict, the possibility of channelling resources towards other sectors which are vital for economic growth. I am referring here to overcoming technological backwardness; eliminating the growing funds of poverty, in absolute as well as in relative terms; the possibility of allocating adequate funds to human resources development; and, finally, the need to preserve the environment within our development processes.

(Mr. Cavallo, Argentina)

Undoubtedly, greater emphasis must be placed on the international impact of national policies. In the case of Argentina, an ambitious programme of structural reform and fiscal adjustment is being undertaken, a programme that includes action on the following matters: State reform; a privatization programme; tax reform; free markets; priority to private initiative in investment and production; and elimination of privileges for the most powerful.

In this regard, I stress that my Government is making the greatest possible internal efforts to effect a lasting structural solution of all the issues that have affected the Argentine economy for more than a decade, which can be summarized as a dangerous combination of economic stagnation and hyper-inflation.

But it must be repeated that those efforts alone will not be sufficient if the international community does not become involved seriously in finding a solution to the macroeconomic problems I have referred to. This is the only way to ensure the success of our internal efforts. Without such a commitment, any effort through national policies will be useless, whatever structural adjustments we may have made in our economies.

So far I have briefly described the main characteristics of the international economic situation during the 1980s and the major problems we shall confront in the 1990s. In that sense, I must express deep concern about an adverse reality of today and concern for a still uncertain future, as regards our desire to ensure development in the last years of this century.

Nevertheless, we are hopeful. Our hope is based on the trust we have placed, in an increasingly integrated world, on international economic co-operation and multilateral relations for the solution of our problems.

(Mr. Cavallo, Argentina)

In fact, it is impossible to solve existing financial problems without international co-operation. The policies that are being discussed in the framework of the Group of 7 have a direct impact on the stability of the developing countries. Let us hope that the countries of the Group of 7, when they co-ordinate their policies, will also bear in mind their impact on the developing countries.

The question is not that the more developed economies should give up the idea of resolving their own problems, but rather that they should consider alternatives which may, in addition, benefit the developing countries. For instance, when the Group of 7 assessed the best way of adjusting the great trade deficit of the United States, only two alternatives were considered: a series of measures for monetary and fiscal restrictions in the country with the deficit, or an expansion of expenditures in the countries with a surplus, basically Japan and Germany.

The solution seemed to be the second alternative, but this led to a dangerous tendency to reduce the rate of savings in the more disciplined economies, when the high real interest rates prevailing in the world do not point precisely to a global excess in savings.

If the developing countries had been taken into account in the discussion, then a third alternative might have been considered in order to adjust the trade deficit of the United States: an increase in investments in the countries affected by the debt crisis. These countries were traditional customers for the American exports of capital goods. An increase in their level of investment would have brought about an adjustment in the trade balance of the foremost economy in the world, without bringing about a decrease in the global rate of savings that could result from the excessive expansion of consumer expenditures in Japan and Germany.

As regards trade, we must await the results of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT). In that sense, the liberalization

(Mr. Cavallo, Argentina)

of international trade, especially in the agricultural sector, should continue to be a basic objective that will contribute to reactivating the economic growth and development of an important number of countries. Furthermore, the attainment of this goal will favour the production of food in developing countries and will be a concrete contribution, of a structural nature, to the eradication of hunger and malnutrition.

The establishment of trade blocs is justified in economic terms if the increase in international trade resulting from the elimination of internal barriers weighs more than the diversion in trade that might eventually take place. Progress in the Uruguay Round of GATT is essential to avoid this risk.

Implementation of these macroeconomic policies will exert a positive influence on national policies and contribute to the availability of resources for technological development, to human resource development, to the eradication of poverty and environmental protection.

Finally, the last issue to which I should like to refer is the strengthening of economic co-operation in general, and multilateral economic co-operation in particular. The United Nations is a unique forum in which the community of nations can, in a thorough and integrated manner, deal with all issues of concern to us which affect the economic growth and development of the developing countries. The problem of the adequate integration of the developing countries in the international economy has not yet been resolved. A solution is still pending and the United Nations has been mandated by the international community to contribute to that solution.

For all those reasons, the United Nations system must play a major role in the revitalization of growth and development. Argentina will commit all its efforts and creativity to that end. The international community as a whole must feel a sense of responsibility at this time, but even more so, those countries that, individually or through their regional mechanisms, are in a better position to influence the course of events affecting our development. We appeal to those countries so that their response may become a concrete contribution to the other aspect of peace: development.

Mr. MACEDA (Philippines): On behalf of my Government and people I should like to congratulate Ambassador Garba of Nigeria on his election to the presidency of the Assembly at its eighteenth special session, and assure him of our country's continued full support and co-operation in his task of ensuring that our proceedings meet the high hopes and aspirations of the international community, in particular those of the developing world.

It is also with a deep sense of emotion that the Philippines, having been in the forefront of the fight for freedom and democracy in Asia for the last century, welcomes the independence of Namibia. Namibia's independence attests to the capability of the United Nations as an Organization to give full meaning to individual countries' aspirations for dignity and self-determination in the community of nations. On this historic occasion, therefore, the Philippine delegation extends to the courageous and proud people of Namibia its warmest and sincerest congratulations and welcome.

I should like to add my delegation's voice in calling for a global approach in strengthening international economic co-operation with a long-term perspective - an approach aimed at revitalizing growth and development in developing countries and a multilateral approach that will set the tone for international economic co-operation in the 1990s.

However, before we can provide a blueprint for the reactivation of growth and development in developing countries, an assessment of developments and changes in the world economy in the 1980s must be undertaken. The obstacles that impede growth and development must be identified. Only then can we hope to provide a solid basis for action in response to the challenges of the 1990s.

For a majority of the developing countries, the 1980s has been classified as a "lost decade", during which these countries were driven to take measures that entailed great social and economic costs.

Heavy debt burdens hung over the flexibility of these nations to adopt appropriate policies for their growth and development. A negative transfer of financial resources forced them to take on measures that reduced the attention given to human needs. This resulted in increased numbers of abjectly poor constituents. Resources that could have been used for strengthening social development, enhancing production capacities and protecting the environment, continued to flow out of the economies of these nations in increasingly large amounts, leading to a precipitous decline in the living standards of hundreds of millions of people.

Most developing countries adopted structural adjustment programmes and committed themselves to changing their internal structures to further development. However, the external environment undermined these carefully constructed domestic programmes.

High interest rates added fuel to the debt crisis. A decline in the prices of many commodities and increased protectionism negatively affected the competitiveness of most developing nations. Deteriorating foreign exchange rates spelled disaster for many developing country projects. The decline in investment and technological weakness also prevented these countries from enhancing the

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utilization of their human and physical resources. This adversely affected their full integration into the world economy.

The resulting state of imbalance in the world economy, largely due to increasing discrepancies among major trading countries and the misalignment and volatility of monetary and fiscal management, also exacerbated the situation.

In the Philippines, for instance, after years of stagnation, we achieved growth for the first time in 1986, when President Corazon C. Aquino took over. Since then, our economy has shown promising growth rates indicating signs of revival. However, this cannot be sustained if depletion of our foreign currency earnings and reserves to service our external debt continues. For the last three years, more than 40 per cent of our annual budget was eaten up by debt service.

(Mr. Maceda, Philippines)

Our initially laid down targets had to be revised since they could not be achieved in view of the structural adjustments our economy had to withstand. Balance of payments and trade-deficit problems also strained our capacity for growth. Concomitant with that is the growing size of our population that has given rise to the twin pressures of unemployment and underemployment.

It should be recognized that prosperity cannot be sustained without a base. Such a base provides the market, the source of raw materials, the source of intermediate products, and the source of labour. That base is the developing world. We must all be committed to putting an end to the continuing North-South polarization in the economic sphere, and we must work together towards greater convergence and coherence in national and regional policies. Development for all within a democratic framework should be the single most important goal that all countries must work for, and aim at achieving the progress and prosperity of all people. We should seek to reverse the trend of the 1980s and reach an agreement by adequately addressing the pressing interrelated problems of money, finance and development.

During the past several months, we have witnessed political changes and a worldwide relaxation of political tensions that could not have been foreseeen earlier. Those events dramatically changed the world scenario and paved the way towards lasting world peace. If only such a dramatic change could consciously be initiated in the world economic sphere, we could face the decade of the 1990s with greater hope and optimism.

We could initiate that change by strengthening the role of the United Nations as a world economic forum. We should all have the political will to provide more effective means of having multilateral co-operation in the economic field. We should set the stage for dialogue through the 1990s towards new approaches and a new human-centred spirit in international co-operation.

(Mr. Maceda, Philippines)

In a renewed spirit of solidarity, my delegation calls for concrete steps that must be taken now and aim at the material betterment of all people. Specific efforts have to be made in order to reverse the decline in per capita income that has occurred in many countries. This would require a renewed international commitment to development as well as the continuation of the process of economic modernization taking place in many countries.

There is an immediate need to overcome the external debt crisis, provide adequate financial flows to developing countries, strengthen the international trading system, enlarge market access for the exports of developing countries in the area of commodities, promote regional economic co-operation and integration, and facilitate the creation, transfer and absorption of new technologies.

In order to restore investment, international financial flows to developing countries must be substantially increased by far more than the amount needed to pay interest on debt. The international community should set a target date in the 1990s to eliminate the developing countries' debt overhang. By accepting that creditor countries have co-responsibility for the situation, the possibility of creating an international debt-reconstruction facility for the purpose should be examined further at this point, including an appropriate forum that could facilitate and encourage a discussion of a durable solution to the debt problem. I emphasize that adjustment programmes must give the debtor countries much more than the amount needed to pay interest on their loans.

Official development assistance has been and remains the principal source of financing for many developing countries. The target of 0.7 per cent of gross national product for official development assistance should therefore be confirmed as the minimum requirement, and provision should be made to include this in the strategy of the fourth Development Decade.

(Mr. Maceda, Philippines)

My delegation also stresses the importance of international co-operation in supporting and strengthening the development of human resources in developing countries. In this regard, the linkages between education, acquisition of skills, technical training and sustained economic growth must be fully underscored. Weaknesses in the field of human resources were often seen as a reason for the failure of development. Insufficient attention has been given to the role of human-resource development. Some implications of the current population growth in some countries have the effect of furthering poverty and aggravating environmental degradation. Thus, reducing the number of people suffering from hunger and poverty should now be considered by the international community. Urgent programmes aimed at corrective measures in this area are necessary.

On the other hand, palliatives have not helped commodity instability. In this regard, the only genuine solution is greater overall stability and growth in the world economy and diversification and industrialization in commodity-dependent countries.

The Urguay Round of the General Agreement on Tariffs and Trade must be given impetus such that the needs of developing countries are taken fully into account in the negotiations. The principle of special and differential treatment of developing countries must not be eroded but should instead be considered in the various areas under negotiation. Nations should increasingly desist from taking unilateral measures that threaten the stability of the world trading environment. Instead, multilateralism should prevail giving equal opportunity for all to operate in a stable economic environment. Protectionist walls in developed countries must be broken down. Free trade must prevail.

In conclusion, my delegation joins the Group of 77 in calling for the adoption of a declaration aimed at forging an international commitment towards revitalizing the growth and development of the developing countries. We also reiterate our call to aim at the goal of achieving development for all people, so that progress and prosperity can be widely shared by more nations than ever before.

Mr. FARAH (Djibouti) (interpretation from French): I should like to say that it is with a sense of great honour and humility that I speak before the General Assembly. I am convinced that the decisions reached by the special session will go a long way to shaping the future of humanity in a positive manner.

The Djibouti delegation is pleased once again to see Mr. Garba presiding over our work in the General Assembly, this time at its eighteenth special session, devoted to international economic co-operation, in particular to the revitalization of economic growth and development of the developing countries. This is indeed a clear testimony to his personal as well as professional qualities. Our congratulations also go to the other members of the Bureau.

On this most memorable occasion in the history of the United Nations, we wish to express our jubilation on Namibia's admission to the United Nations. We are extremely delighted that perseverance and courage against all odds have won out in the end.

The international community as a whole is indebted to the Secretary-General of our Organization, Mr. Javier Perez de Cuellar, for his work in enhancing the legitimate and irreplaceable character of the United Nations in his tirelesss message of peace and development that pervade our lives. We are grateful for his excellent report, which will serve as a source of inspiration and encouragement to our session.

(Mr. Farah, Djibouti)

Finally, we wish to convey our gratitude to the Chairman of the Group of 77 for his continuous and valuable service in the preparation of the special session, and we also wish to thank the Ambassador of Greece, Mr. Zepos, for the effectiveness with which he conducted the deliberations of the Preparatory Committee. We congratulate them and the officers of their respective bodies.

The world is passing through an exciting and challenging time. Cataclysmic changes are taking place before our very eyes, and pressure from competing "isms" is easing to a considerable degree, thus reflecting a new world not dominated by an ideological antagonism and the East-West struggle. Such a positive development after nearly half a century is likely to have a lasting impact on developments in the global economy in the 1990s. In that connection the development constraints of the 1980s, such as the recession in the industrial countries, limitations on access to markets, the crippling debt burden, the deterioration of the environment and declining resource flows to the developing countries, today offer us a basis for adopting a flexible framework for growth and development in the coming decade.

The present state of the international economy leaves much to be desired. In spite of the substantive and impressive progress made by developing countries in stimulating economic growth, the majority of them are still in the throes of poverty, despair and human suffering. The conditions imposed by the International Monetary Fund (IMF) continue to generate adverse effects on growth and development, in the least developed countries in particular. Neither international resource flows nor savings or fiscal strategies can provide sufficient funding for development needs and often lead to such ugly scenarios as the severe curtailment of essential expenditures or the raising of taxes to bolster fast-depleted internal revenues. Such are the harsh choices faced by the poor third-world countries,

(Mr. Farah, Djibouti)

which are expected to make additional sacrifices in order to embrace market forces and include structural-reform programmes. The fact is that a number of crucial issues deserve serious examination prior to eventual consideration of one policy option over another. The fulfilment of priority-reform programmes will inevitably entail considerably enhanced assistance from bilateral donors and multilateral financial institutions. Here, what is needed is a clearly defined and unambiguous commitment to the creation of an environment conducive to the acceleration of the growth process in the developing nations. That commitment must transcend stereotyped assumptions and should set minimum standards for the socio-economic progress of the least developed countries, which are vulnerable and can barely withstand external shocks.

As was widely emphasized last month at the meeting on international development strategy, reform effort by developing countries cannot have a full and effective impact without a favourable international economic environment conducive to growth and devlopment. This requires consistently supportive economic, monetary and fiscal policies by the industrial countries with a view to eliminating the major imbalances in the world economy. The 1989 IMF report correctly notes that:

> "It is important that the external environment be favourable: positive terms of trade, buoyant markets and lower interest rates."

Significant and concerted efforts need to be directed to minimizing global economic variables among the developed countries so that harmony may be achieved to reduce the imbalances in their economies. Such practical moves can enhance not only the stability and predictability of major economic parameters but will also result in releasing greater savings of resources that could then be directed towards promoting direct foreign investment in developing countries.

(Mr. Farah, Djibouti)

In the same vein the new era of East-West co-operation, coupled with an abatement of regional tension, is likely to lead to substantial reduction in military expenditures that, no doubt, will result in the release of additional resources for the revitalization of economic growth.

Unfavourable climatic conditions, recurrent drought and growing desertification have aggravated the situation. In the African continent 60 per cent of the available land is arid, and every year more than 6 million hectares of land are rendered useless. On the other hand, the United Nations Plan of Action for research on desertification, adopted more than 13 years ago, remains inactive. We hope that the forthcoming United Nations Conference on Environment and Development will deal effectively with this problem.

The solution to problems of development and environment requires global co-operation. The Government of Djibouti believes that the 1992 Conference should define concrete objectives and reach legally binding and enforceable agreements. Such agreements should also define the financial implications and the question of transfer of technology. To ensure the success of the Conference all countries must participate on an equal footing in the preparatory process.

Ecological problems can only be resolved through socio-economic development. The problems created by over-consumption in the industrialized societies are among the major causes of the environmental challenges facing the international community. All nations must choose balanced ways of life to guarantee a less polluted environment and engage in better management of natural resources.

Africa is aware that it bears the primary responsibility for its own development. It was in that spirit that the United Nations Programme of Action for African Economic Recovery and Development was adopted in June 1986. Within this framework, the African countries are committed to carrying out programmes of economic development and structural reform, while the international community is committed to supporting such efforts fully. However, as it turns out, the implementation of the Programme of Action has been seriously hindered by external financial difficulties, and the rapid economic decline of many African countries is continuing.

The continuous deterioration of the socio-economic situation and the increasing marginalization of the least developed countries - in which, in 1988, the share of exports barely reached 0.3 per cent, in spite of the reforms undertaken - prove that pursuing good national policies alone is not sufficient to reverse those adverse trends. A flagrant example of the importance accorded such external conditions lies in the problem of debt.

The debt crisis is due not only to the amount of the debt but also to the inability of countries to continue to service it. This inability is due to the sharp decline in the prices of commodities, on the one hand, and, on the other, to the policy of protectionism adopted by the developed countries. Unfortunately, all predictions point to the fact that the deterioration of terms of trade relative to primary commodities will probably be even worse in the 1990s.

(Mr. Farah, Djibouti)

Exporting these primary commodities is vital for the economic survival of a great number of developing countries. While these countries are committed to reducing their external debt, the prices of major export products have fallen by 2 per cent and revenue by one third since the beginning of the 1980s, which represents a real loss of export earning amounting to $120 billion. Even with debt forgiveness or the possibility of access to markets, it is not likely that these countries would be in a position to diversify their economies, because of their dependence on primary commodities.

According to the UNCTAD secretariat, considerable progress was achieved during the Uruguay multilateral trade negotiations. The developing countries, feel, however, that the efforts to respond to their needs have been insufficient. An evaluation of the Uruguay negotiations from the standpoint of those countries reached the conclusion that the negotiations are continuing to make progress but that the asymmetries and imbalances are becoming more pronounced; and that the developments thus far have not inspired any confidence or given any assurance to the developing countries that there is any political will or the slightest recognition on the part of our developed commercial partners vis-à-vis adhering to a stable economic policy. In the group negotiations on access to markets of the developed countries, the particular situation of the developing countries was left aside and, instead, a kind of "right to enter", in the form of inputs and supplies, was requested of them.

We are struck by the inequality which characterized the Uruguay Round. While tangible progress was made in the areas of services and rights to intellectual property, which are of interest to the developed countries, negotiations on a series of matters that affect the developing countries did not make progress, or, at most, very slow progress. Therefore, it remains to be seen whether the

(Mr. Farah, Djibouti)

commitments and the general principles governing the Uruguay negotiations, and in particular those supposed to protect the legitimate interests of the developing countries, will continue to generate broadly based support.

An alarming characteristic of this crisis in the indebted countries is the decline in investments. This decline is in large measure attributable to the fall in net transfers of resources during the 1980s. In order to remedy this situation and stimulate new foreign direct investment in Africa during this decade, we must meet certain conditions which, unfortunately, Africa is not yet in a position to do, conditions such as acceleration of economic growth, debt servicing, increase of currency reserves, and so forth. We in fact have the inpression that we are in a vicious circle from which it will be difficult to extricate ourselves.

The harsh experience of the least developed countries during the last decade calls for a new commitment and a new approach in the field of co-operation in line with the Paris Conference. The least developed countries are aware of their responsibilities for their own development. They are doing their utmost - from adopting structural adjustment programmes to stimulating production and taking measures aimed at redressing the imbalances existing between the environment and the development of national resources. But all these efforts will be in vain in the absence of an international commitment to development. It is essential to write off or ease the debt burden. Economic theories applicable to developed countries cannot simply be transposed to the least developed countries; the specific conditions of each country must be taken into consideration.

In this regard the Brady initiative represents an important reversal of position, to the extent that it recognizes that reduction of debt and debt service

(Mr. Farah, Djibouti)

is a pre-condition to any strategy for settling debts and that the Governments of the creditor countries must form an integral part of such a strategy. For the application of the Brady Plan to be effective, the creditor countries must accept a debt-reduction strategy based on reducing interest rates.

During the last conference of ministers of the least developed countries, held in Dacca, Bangladesh, last February, we again affirmed the importance of developed countries' reaching the target of 0.15 per cent of their gross national product to be allocated for official development assistance to the least developed countries, or doubling their present official development assistance to these countries. While we appreciate the efforts of the donors that have fulfilled either or both of these targets, we wish to urge those who have not yet done so to try harder to attain those targets as soon as possible.

Without claiming to exhaust the views on this issue of such great significance, the subject of our discussions here, or to have found a universal solution to the problems of the developing countries, particularly the least developed countries, including Djibouti, we shall attempt to make our modest contribution by suggesting a few guidelines.

Before I do so, however, allow me to refer briefly to the serious economic difficulties facing my country. The ever-growing deficit in the national budget and in the balance of external payments, the worsening unemployment and under-employment situation, the increasing migration from the nomadic areas to the urban centres owing to the prolonged drought and desertification, the problems of refugees and displaced persons who come from neighbouring countries because of persistent conflicts, the degradation of the social and physical infrastructure and, finally, the deterioration of the quality of social services are factors that increasingly retard our economic development process.

(Mr. Farah, Djibouti)

The Government of Djibouti of course has the responsibility for creating the proper structures and sound management conditions - and we are doing so. However, it is clear that the external environment can destroy what we are trying to build. The Republic of Djibouti wishes to underscore the primary role of the United Nations in the field of economic co-operation. The statements we have heard here so far in the framework of this general debate seem to be encouraging concerning prospects in this area.

The special session must accord great importance to the strengthening of international and regional economic co-operation and to the improvement of policy co-ordination. We should also seek common approaches to the international monetary and financial systems for stable development and favourable growth in all countries, particularly the developing countries - where all the least developed countries are located - so that all these countries may be fully integrated into the world economy and the international trade system.

Sustainable and lasting development and the protection and improvement of the world environment are questions affecting all countries and must be examined in a corresponding way. In seeking to achieve its objectives, the special session should pay special attention to the question of human resources.

The work of the special session should complement and advance the international development strategy for the 1990s as well as other United Nations plans and programmes of actions for development, and identify the main thrust for the second United Nations Conference on the Least Developed Countries.

The peoples living in the developed world have enormous economic and technological advantages. In almost total contrast, the majority of the population of our planet live in conditions in which they need to struggle merely to survive.

(Mr. Farah, Djibouti)

The continued existence of this anomaly at a time when the world is richer than ever before is a real insult to the conscience of mankind. It is clear that the social inequalities of the present time, when some have unprecedented prosperity while others are living in total poverty, has had terrible consequences for the internal security of countries, as well as for international security.

We cannot talk of human dignity as long as millions of people live below the poverty level and are wracked by hunger, disease and malnutrition and are in danger of losing the most precious of all their rights - the right to life.

In a world where interdependence is now taken for granted, security, too, is indivisible. No nation or people can live in security or remain an island of tranquillity against the looming disasters.

We must understand that fundamental human rights are indivisible and cannot be universally exercised unless peace, as well as political, economic and social security, prevail among nations.

Mr. LIMPABANDHU (Thailand): I should like to extend my congratulations to Ambassador Garba and all the members of the Bureau.

The Assembly has had an auspicious beginning with the admission of Namibia to the United Nations. Thailand is proud to have contributed in many ways to Namibia's independence. The people of Thailand congratulate Namibia on this historic ocassion.

Lasting peace and harmony can only be built upon a sound economic and social foundation. Indeed, it cannot be denied that every country, irrespective of its size, history or political inclination, is in pursuit of but one ultimate goal, that is, a better living standard for its people. To this end, every man, woman and child must be provided with adequate food, shelter and health care so as to maintain a respectable quality of life. In an interdependent world such as ours, the attainment of such a goal is dependent not only upon domestic factors but also upon a favourable world environment.

That this special session of the General Assembly is convened during a period of international rapprochement and reconciliation is most appropriate. Lasting peace can be attained only if we are able to resolve our economic problems,

(Mr. Limpabandhu, Thailand)

problems that have for too long been papered over, problems that can only be resolved through a co-operative effort at the international level.

Every country must be afforded the means, as well as the opportunities, to achieve sustainable development. In this regard, Thailand has been fortunate. As a trading nation, we could have been better developed had we not run into an increasing barrage of protectionist barriers.

No one can deny that the world in which we live is a dynamic one, requiring all our economies to make the necessary structural adjustments. Some countries, however, have resisted. As a short-term remedy, they have resorted to tariff and non-tariff barriers to trade.

Let us hope that it is not too late, that the situation can be corrected. What is needed now is a political commitment from all of us. In this regard, it is my delegation's sincere hope that the current Urugay Round of Multilateral Trade Negotiaitons will be successful in doing away with protectionism. We believe that, among other things, provisions should be made for special and differential treatment of developing countries in line with their development and trade needs. Furthermore, if we are fully to liberalize world trade and remove the existing exceptions and grey areas, we must also strengthen and extend the rules and disciplines of the General Agreement on Tariffs and Trade (GATT). Indeed, the Agreement should be transformed into a full-fledged international trade organization with universality of membership. The global trade body, along with other economic and financial institutions already in existence, can facilitate efforts towards integration of the world economy.

I should now like to turn to the problem of depressed commodity prices. The majority of people in developing countries, including Thailand, still derive their income from agricultural and extractive production. Here, a co-operative effort by

(Mr. Limpabandhu, Thailand)

all - including both the producers and the consumers - is needed to stabilize prices. Common approaches will also have to be found to assist in the processing, marketing and trade of commodities. Producers-consumers co-operation is most desirable also in expanding research and development of more end-uses of commodities.

To offer developing countries a more predictable and stable source of income, compensatory financing of shortfalls in commodity earnings with less conditionality should also be made available. In this regard, Thailand believes that the Common Fund for Commodities is an important tool that could assist efforts to stabilize the commodity market, upon which the majority of the world's population is dependent.

Many developing countries have continued to remain saddled with a debt problem that shows no sign of relenting. Indeed, I was alarmed to read in the report of the Secretary-General that between 1984 and 1989, the net outflow of funds from developing countries amounted to some $180 billion. These are precious resources that could have otherwise been used to promote the development of debt-ridden countries.

(Mr. Limpabandhu, Thailand)

If we are to resolve this problem once and for all, an even-handed and equitable approach is needed. The international community must reinforce, rather than reduce, a country's credit-worthiness. The international economic environment must also be improved so as to afford debt-ridden countries the opportunity to expand their exports and improve their debt-servicing capacity. Greater concern over the terrible consequences of changes in the interest rate is needed now more than ever.

My delegation welcomes the increasing awareness in the international community of worsening environmental problems. Unquestionably, economic growth can be sustained only if it is environmentally sound. Urgent environmental concerns, including, inter alia, the depletion of the ozone layer, global warming and the transport of hazardous goods, must be immediately addressed. These problems are by their nature international problems afflicting all countries, large and small. As such, only international efforts will suffice.

Environmental protection is, however, a relatively new area of concern for Thailand, and I am sure for other developing countries as well. More technical and financial assistance should therefore be made available to developing countries in their efforts to address the aforementioned problems. Towards this end we support the convening of the United Nations Conference on Environment and Development in 1992 in Brazil in the hope that action-oriented proposals and programmes may be adopted to promote environmentally sound and sustainable development.

Another issue of great importance is that of science and technology, which are essential tools for setting up more efficient production and manufacturing capabilities. We therefore support the endeavours of the United Nations to draft an international code of conduct on the transfer of technology so that the developing countries could be given freer and fuller access to new technologies under fairer conditions.

(Mr. Limpabandhu, Thailand)

Increased international economic co-operation can also be promoted at the regional level. Regional co-operation must, however, support the multilateral trading system and be consistent with the General Agreement on Tariffs and Trade (GATT). In this regard, Thailand attaches great importance to the Association of South-East Asian Nations (ASEAN) as a means of furthering regional growth and development. We also welcome the move towards closer Asia-Pacific economic co-operation, which should help promote greater economic interactions across the Pacific Ocean.

In promoting international economic co-operation, the United Nations has a central role to play. The convening of this special session is clear proof of the catalytic role of the United Nations in this regard.

As a guideline for international co-operation, my delegation believes that the International Development Strategy for the Fourth United Nations Development Decade will be of immense value. In this connection we are pleased to note that an outline for the Strategy has already been agreed upon and that preparations are well under way for its final adoption later this year. We sincerely hope that this new Strategy will include new and innovative proposals for action - proposals that the international community will not again fail to implement.

Since the eleventh special session of the General Assembly in 1980 the world economy has been marked by the success of some countries and the slow-down of others. The only constant through the last decade has been the unmitigated plight of the least developed countries. This happened despite the adoption in that same year of the Substantial New Programme of Action for the 1980s for the Least Developed Countries. Thus faced with unique problems, these countries deserve the special attention of the international community. We must all ensure that these countries are given urgent assistance so that they can join in the mainstream of world economic development. To this end we support the convening of the Second United Nations Conference on Least Developed Countries in Paris later this year.

As we enter the 1990s it is only proper that economic growth and development now be placed at the top of the international agenda. These are issues that can no longer wait; these are issues that can only be tackled at the global level.

The choice before us is simple: growth and prosperity through closer international economic co-operation or continued hardship for billions around the world.

Mr. EBELING (German Democratic Republic) (spoke in German; English text furnished by the delegation): Allow me to congratulate Mr. Garba warmly, on his election to the presidency of the General Assembly at its eighteenth special session.

This session is expected to provide impetus to the solution of the economic and ecological problems threatening the world community as a whole, and rightly so. We must not remain indifferent when 430 million of our Earth have to be content with an annual per capita gross national product of $227, when currently, within a period of 14 months, as many human beings die from hunger and avoidable diseases as fell victim to the Second World War. Nor must we remain indifferent when 70 per cent of the people of the poorest countries can neither read nor write.

Let me assure members that my delegation will do all it can to contribute to a successful conclusion of the session.

It is also a great honour for me to welcome the representatives of independent Namibia, now a member of the community of free and democratic nations.

The world is witnessing changes that will reach far into the future. The progress made in international relations is to be welcomed. At last, ideological confrontation has had to give way to dialogue, confidence-building and co-operation.

In our changing world economic co-operation must play a key role. The rapid economic changes of our time are a great challenge to all States. Of course they also harbour considerable risks, and all of us have to face the challenges and risks. We have to meet them with a new quality and a new dimension of the comity of different nations. That requires a contribution from all. It requires joint strategies and action. This special session offers a chance to promote this process.

When I, as a Minister of the Government of the German Democratic Republic, which has just been sworn in, direct the attention of the Assembly first to my country, that does not mean that we attach only secondary importance to the global issues of the world economy. But the change that our country went through is too new, the emotion too fresh. The time that has passed since that peaceful revolution of November last is too short to go to the agenda item right away.

The German Democratic Republic was not the first country member of the Council for Mutual Economic Assistance to detach itself from the grip of a centrally planned economy and totalitarian socialism. But in the case of the German Democratic Republic, first of all there was established a Government that can rely on a broad two-thirds majority in Parliament, a Government that has made freedom, a market economy, social justice and the rule of law its policy. It is in the name of that Government that I wish to greet you most sincerely.

Europe is moving towards new common ground, towards economic balance and peacefully living together. We see ourselves as an equal part of the new Europe that does not threaten anybody and is not aimed against anybody. That continent can look back on a long common history, and it can look forward to a great future. It is well on the way to growing together, into a single economic area, indeed to an ever closer confederation. The division of Europe will be overcome with the unity of Germany.

We in the German Democratic Republic have come into an inheritance which is not easy: economic and technical development has not kept up with world standards; the state of our housing got worse from year to year; the ecological condition of our rivers, lakes, forests and fields, and the state of the water, air and soil is critical in many regions; and above all, after decades of spoon-feeding and tutelage by the State, many people have lost their own initiative, their commitment and their spontanaiety. However, what all have in common today is new hope and the will to shape the future.

In spite of the big challenges and problems our country is faced with, the Government of the German Democratic Republic will not forget the concerns and needs of people in other parts of the world. We do not intend to tackle our own problems egocentrically, but we have sentiments of solidarity with those countries confronted by similar problems of economic and structural reform, of democratization and environmental protection. The German Democratic Republic's asset is not big money but personal commitment, expertise and human understanding of the problems of a country in the process of building and restructuring. We can solve numerous problems better through common efforts, and we can learn from each other how to solve problems. We wish to maintain a co-operative partnership with the nations of the third world. Especially after the events we have witnessed in the recent past, we want to embrace the message of peace, social justice, democracy and unity also in those countries with which we have a record of co-operation.

(Mr. Ebeling, German Democratic Republic)

Hence we wish to preserve and further develop relations with those countreis we have already supported in the past. Economic, medical, agricultural and social-welfare projects will be carried on, although I have to add here that we have decided to free economic co-operation from ideology. A radical restructuring is thus called for where assistance rendered by the SED-led German Democratic Republic focused on support for a repressive security apparatus in the past. Assistance from the German Democratic Republic must never again serve to oppress, exploit and make people suffer. Here we will clearly readjust our course and integrate our work in the context of the undertakings of free and democratic nations.

Economic co-operation on the part of the German Democratic Republic will increasingly develop everywhere in the world along the lines of joint endeavours with similar programmes of the Federal Republic of Germany. Rivalry, even confrontation, now belong to the past. As the process of unification of the two States in Germany goes on, there will increasingly be a single German commitment in the countries of the third world.

We are in touch not only with people from developing countries outside our own country, but also inside it. The foreigner in our midst should be our fellow citizen if he entered the country legally. Persons who are victims of persecution for political reasons will also enjoy asylum in the German Democratic Republic on a legal basis. Furthermore, of importance for the future living together of Germans and foreigners in our country are all initiatives that make us experience cultural diversity as an asset and revitalize the idea of solidarity, in particular with the poorest nations, an idea that at present has unfortunately lost its meaning to many people in our country.

All of our new projects in third-world countries will focus on the human being, not as the measure of all things but as a significant criterion. To enable people to live in a future world of dignity that is worth living in, we shall join in the fight against poverty where possible. We shall advocate equal rights for women and help check drug abuse through international efforts. We shall also make our contribution to improving health care and easing the serious housing shortage, and above all help limit the destruction of the environment and bring it to an end or even reverse it. The increasing over-exploitation of the Earth's forest, the climatic change caused by the emission of pollutants and the advancing of deserts world-wide are only three examples of life-threatening danger that concerns us all and can be fought only by all of us jointly.

The heavy burden of external indebtedness, in particular that of the developing countries, hinders economic development in many places. In some cases it even swallows up 98 per cent of the export earnings of a country.

(Mr. Ebeling, German Democratic Republic)

Here also unconventional forms of debt reduction - indeed, total forgiveness of debts - should not be taboo. This could, for instance, be linked to the extensive protection of ecologically important biotopes for the benefit of mankind as a whole.

To release the financial means needed to solve the gigantic tasks before us we wish nothing more ardently than to turn swords into ploughshares. This, of course, can be done only to the extent to which the international process of disarmament, which we wish to accelerate wherever possible, progresses.

Most of these problems are also of concern to our country. It is precisely for this reason that we harbour a great sense of understanding of and solidarity with the nations of the third world. We want to work towards enabling the developing countries to get even closer to the level of development of the industrialized countries, without repeating their mistakes. We extend our hands to all those who together with us are on the road to a democratic, free and just society.

The PRESIDENT: In accordance with the decision taken by the General Assembly at its 1st plenary meeting on 23 April 1990, I now call on the Director-General of the International Labour Organisation, Mr. Michel Hansenne.

Mr. HANSENNE (International Labour Organisation (ILO)) (interpretation from French): It is true that the objectives of the special session are ambitious. To lay the foundations of real international economic co-operation, enabling each nation fully to play its role in the renewed growth of the world economy and to ensure the equitable distribution of the benefits of that recovery among nations and within nations - those are the enormous challenges which the international community has been trying to meet for some years, with very relative success.

(Mr. Hansenne, ILO)

I do not wish to dwell today on a diagnosis of the past. The balance sheet is only too familiar, and it is dangerously negative.

What I wonder is whether today, in 1990, the conditions exist to ensure more vigorous, more balanced and fairer growth and development, as well as more effective international co-operation.

It is impossible to assert with certainty that that is the case. The major imbalances that are today characteristic of the world economy, the serious and ever-widening gap between rich and poor and the resulting political and social tensions hardly inspire even moderate optimism. It has become completely clear that it is impossible to achieve renewed growth without a serious effort to adapt both national economic policies and international economic relations. This serious effort at adaptation means that all of us, political leaders of countries rich and poor and officials of the bodies of the United Nations system, must question the structures, modalities and even the doctrines that have guided our actions in the past in order to seek new ways of steering us in the right direction.

In some respects the present situation may seem more conducive than ever to such a critical assessment. For one thing, the appeal of slogans and simplistic remedies has considerably diminished, and everyone agrees that more pragmatic solutions, more realistic channels, must be found to meet the real challenge of renewed growth and development. Furthermore, important political changes, unforeseeable just a few months ago, hint at a global atmosphere in which ideological confrontation may yield to co-operation.

Another positive fact, as I see it, is that while the preliminary work for this session rightly attached importance to international co-operation in the financial, monetary, economic and commercial fields, the social and human dimensions have not been neglected.

It must be noted that the problems and aspirations of our populations have for too long been considered as factors that get in the way, instead of essential factors in the development of economic policy.

However, an important lesson learned as our century draws to a close is that the progress of society cannot be seen simply as a result of economic choices. Capital and technical progress are certainly crucial to economic development, but development depends perhaps even more on the development and full utilization of human potential. It depends as much on the proper functioning of the employment market in conditions that respect the rights of workers as it does on the proper functioning of the market for goods or capital. It depends as much on the fair distribution of income and wealth as it does on sound macroeconomic policy. It depends as much on the full enjoyment of human rights and freedoms, including free enterprise and the right to form trade unions, as it does on sound management of economic policy.

Above all, development depends on the existence of a true dialogue between public authorities and social forces. Experience has shown that any political and economic system that is not nourished by the aspirations of its population is doomed to see the failure of any projects that it claims to be implementing on its behalf. That comes as no surprise to the ILO, since it was on that very principle that the Organization was initially founded. The more the population is enabled to participate in discussions and decision-making, the better the chance of obtaining broad support for the subsequent implementation of the policies adopted.

It is of course up to each country to set its own objectives and its own development strategies. But the way in which political leaders in each country assume their responsibilities, and especially the way in which they attempt to integrate social justice and social dialogue into their development strategies, will inevitably have an impact on the effectiveness and durability of their policies, and hence on the success of international co-operation.

It is the integrated approach to international co-operation and development, in which the economic and social spheres and international and national action are mutually supportive, that the ILO would like to see the Assembly stress at this special session.

However, there is one last question of major importance that we must raise: are the bodies of the United Nations system capable of being effective agents of this integrated international co-operation? The new climate of co-operation to which I have just referred gives us what may be a unique opportunity in the history of the United Nations system to do the work for which the specialized agencies were established. Are we capable of seizing this opportunity? Are we ready to make our own effort at adaptation?

Each of our organizations has specific responsibilities in the economic, financial, monetary, trade, social and human rights spheres. Each has its own identity, its own structures, its own working methods and its own philosophy. This diversity could, however, be a source of weakness if we do not prove capable of achieving at the international level that same coherence, that same unity of action, in the economic, social and human rights spheres as we advocate at the national level. Should we not try together to achieve better integration of our shared action, a new synthesis of our approaches which could become a unique development model, rather than continuing individually to pursue autonomous and even contradictory objectives? This common model should reconcile the need for sound economics with the equally urgent need for greater human justice and complete respect for fundamental human rights. A stronger commitment to those shared

(Mr. Hansenne, ILO)

objectives would undoubtedly be more effective than the use of clumsy, bureaucratic and costly co-ordinating mechanisms. The outcome of this special session could in fact give a new impulse to the efforts we must undertake to make our own system more coherent and more effective.

(Mr. Hansenne, ILO)

It will soon be a half-century since the peoples of the United Nations affirmed their resolve "to promote social progress and better standards of life in larger freedom". It is striking how timely this objective remains, an objective which was made universal for the first time by our Charter. Perhaps it is now, at last, that we have a clearer vision than ever of this resolve, at the same time as we have rediscovered the commonsense principle that economic, social and political progress are not independent of each other but, rather, mutually supportive.

May I therefore reiterate the fervent hope that the declaration to be adopted by the special session will accomplish that necessary tour de force of integrating these three dimensions in its definition of the principles to govern international economic co-operation in the years to come, and that that international co-operation may promote a strengthening of the work of the international system, of which I have the honour of being a humble servant.

The meeting rose at 9.05 p.m.